



**Independent Auditor's Report**

**To the Members of Devyani Airport Services (Mumbai) Private Limited**

**Report on the Standalone Financial Statements**

**Qualified Opinion**

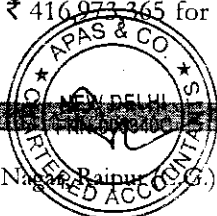
We have audited the accompanying standalone financial statements of **Devyani Airport Services (Mumbai) Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, 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, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, 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 31<sup>st</sup> 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 Qualified 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the standalone financial statement.

- a) Lease rental charges in respect of operating leases for outlets at Mumbai International Airport with escalation clauses at periodic intervals should have been straight lined in accordance with the requirements of Indian Accounting Standard on Leases (Ind AS-17). Had the Company accounted for lease rental on a straight line basis, the rent expense for the year would have been higher by ₹ 488,178,428/- (including ₹ 416,973,365 for earlier years) with a corresponding credit to provision for rent straight lining.



Accordingly, the loss before tax for the current year would have been higher by ₹ 488,178,428/- and reserves and surplus would have been lower by ₹ 418,178,428/- as at 31 March 2019. This matter was also qualified in our report on the financial statements for the year ended 31 March 2018.

### **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**

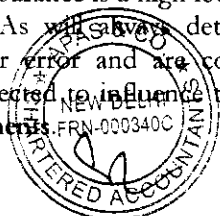
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive 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.

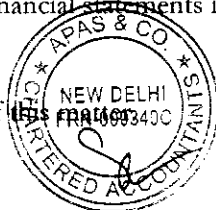
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 35 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.



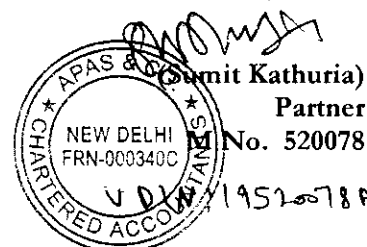
## Report on Other Legal and Regulatory Requirements

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.
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 an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (g) 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.
  - (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 in 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

Place : Gurugram

Date : 07/08/2019

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

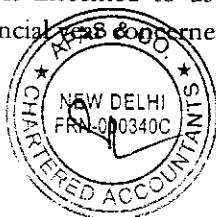


**Annexure- 1 to the Independent Auditor's Report**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Devyani Airport Services (Mumbai) 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 section 189 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 (1) 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. 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.



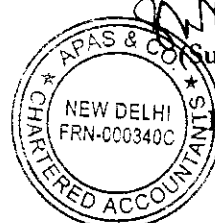
- b) The dues outstanding in respect of Income Tax that have not been deposited on account of dispute are as under:

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
Income Tax Act, 1961	Income Tax	79,228,892	2,640,964	F.Y. 2015-16	ACIT, New Delhi

- viii) The company has no dues payable to a financial institution or a bank or debenture holders during the year. Accordingly, the provisions of clause 3(viii) of the order are not applicable.
- 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

Place : Gurugram  
Date : 07/08/2019



(Sumit Kathuria)  
Partner  
M No. 520078

## **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 Airport Services (Mumbai) 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 Airport Services (Mumbai) 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**

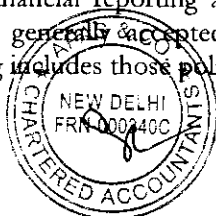
Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered 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



- (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**

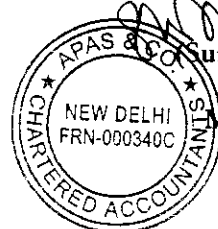
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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 31<sup>st</sup> 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.

Place : Gurugram  
Date : 07/08/2019

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



(Sumit Kathuria)  
Partner  
No. 520078



Devyani Airport Services (Mumbai) Private Limited  
Balance Sheet as at 31 March 2019  
All amounts are in Indian Rupees

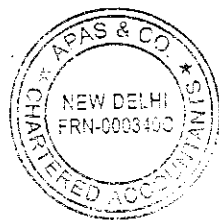
	Note	As at 31 March 2019	As at 31 March 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	67,873,691	206,405,722
Intangible assets	4	11,752,357	21,533,750
Financial assets			
(i) Loans	5	47,194,065	41,957,767
Deferred tax assets (net)	26	-	108,885,167
Income tax assets (net)	26	3,314,351	2,328,244
Other non-current assets	7	27,546,105	30,498,232
<b>Total non-current assets</b>		<b>157,680,569</b>	<b>411,608,882</b>
<b>Current assets</b>			
Inventories	8	7,996,124	6,379,458
Financial assets			
(i) Trade receivables	9	6,435,599	13,599,350
(ii) Cash and cash equivalents	10	6,734,808	8,119,117
(iii) Bank balances other than cash and cash equivalents, above	11	2,501,756	2,341,536
(iv) Loans	5	100,000	-
(v) Other financial assets	6	125,581	1,129,510
Other current assets	7	11,309,627	11,413,754
<b>Total current assets</b>		<b>35,203,495</b>	<b>42,982,725</b>
<b>Total assets</b>		<b>192,884,064</b>	<b>454,591,607</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	12	60,000,000	60,000,000
Other equity	13	(458,494,294)	(110,490,670)
<b>Total equity</b>		<b>(398,494,294)</b>	<b>(50,490,670)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	14	443,902,946	386,445,140
(ii) Other financial liabilities	15	2,301,860	1,790,170
Provisions	16	4,769,768	4,870,023
Other non-current liabilities	17	392,988	428,872
<b>Total non-current liabilities</b>		<b>451,367,562</b>	<b>393,534,205</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Trade payables	18		
(a) total outstanding dues of micro and small enterprises		3,329,080	-
(b) total outstanding dues other than (i) (a) above		100,550,836	84,677,166
(ii) Other financial liabilities	15	28,151,078	12,011,541
Other current liabilities	17	7,029,659	14,801,280
Provisions	16	950,143	58,085
<b>Total current liabilities</b>		<b>140,010,796</b>	<b>111,548,072</b>
<b>Total equity and liabilities</b>		<b>192,884,064</b>	<b>454,591,607</b>

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: 07/08/2019

For and on behalf of the Board of Directors of  
Devyani Airport Services (Mumbai) Private Limited

Ravi Kant Jaipuria  
Director  
DIN: 00003668

Virag Joshi  
Director  
DIN: 1821240

Varun Prabhakar  
Company Secretary  
M. No.: ACS 30496

Place: Gurugram  
Date: 07/08/2019

Place: Gurugram  
Date: 07/08/2019

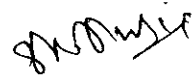
Devyani Airport Services (Mumbai) Private Limited  
Statement of Profit and Loss for the year ended 31 March 2019  
All amounts are in Indian Rupees

Particulars	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Income</b>			
Revenue from operations	19	527,941,645	480,945,281
Other income	20	6,062,435	15,319,096
<b>Total income</b>		<b>534,004,080</b>	<b>496,264,377</b>
<b>Expenses</b>			
Cost of materials consumed	21	120,553,450	126,425,463
Employee benefits expense	22	71,387,602	78,685,554
Finance costs	23	19,383,458	49,652,645
Depreciation and amortisation expense	24	36,611,176	43,944,188
Impairment (reversal)/ loss	3 and 4	111,073,442	48,778,554
Other expenses	25	414,678,363	325,536,362
<b>Total expenses</b>		<b>773,687,491</b>	<b>673,022,766</b>
<b>Profit/(loss) before tax</b>		<b>(239,683,411)</b>	<b>(176,758,389)</b>
<b>Tax expense</b>			
Current tax	26	-	-
Deferred tax (credit) / charge		108,885,166	(57,279,160)
<b>Total tax expense</b>		<b>108,885,166</b>	<b>(57,279,160)</b>
<b>Profit / (loss) for the year</b>		<b>(348,568,577)</b>	<b>(119,479,229)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability /(assets)		564,953	401,530
Income tax relating to above mentioned item		-	(103,394)
<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>		<b>564,953</b>	<b>298,136</b>
<b>Total comprehensive income for the year ( net of tax)</b>		<b>(348,003,624)</b>	<b>(119,181,093)</b>
<b>Earnings per equity share of face value of Rs. 10 each</b>	27		
Basic (Rs.)		(58.09)	(19.91)
Diluted (Rs.)		(58.09)	(19.91)

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

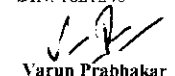
Place: Gurugram  
Date: 07/08/2019



For and on behalf of the Board of Directors of  
Devyani Airport Services (Mumbai) Private Limited

  
Ravi Kant Jaipuria  
Director  
DIN: 00003668

  
Virag Joshi  
Director  
DIN: 1821240

  
Varun Prabhakar  
Company Secretary  
M. No.: ACS 30496

Place: Gurugram  
Date: 07/08/2019

Place: Gurugram  
Date: 07/08/2019

**Devyani Airport Services (Mumbai) Private Limited**  
**Statement of Changes in Equity for the year ended 31 March 2019**  
All amounts are in Indian 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	6,000,000	60,000,000	6,000,000	60,000,000
Balance at the end of the year		6,000,000	60,000,000	6,000,000	60,000,000

**B. Other equity**

	Note	Promoter contribution in equity	Retained earnings	Total
Balance as at 1 April 2017	13	97,810,867	(112,472,999)	(14,662,131)
Profit/ ( loss ) for the year			(119,479,229)	(119,479,229)
Other comprehensive income for the year (net of tax)			298,136	298,136
<b>Total comprehensive income for the year</b>		<b>97,810,867</b>	<b>(231,654,091)</b>	<b>(133,843,224)</b>
Contribution during the year		23,352,554		23,352,554
<b>Balance as at 31 March 2018</b>		<b>121,163,421</b>	<b>(231,654,091)</b>	<b>(110,490,670)</b>
Balance as at 1 April 2018		121,163,421	(231,654,091)	(110,490,670)
Profit/(loss) for the year			(348,568,577)	(348,568,577)
Other comprehensive income for the year (net of tax)			564,953	564,953
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>(348,003,624)</b>	<b>(348,003,624)</b>
<b>Balance as at 31 March 2019</b>		<b>121,163,421</b>	<b>(579,657,716)</b>	<b>(458,494,294)</b>

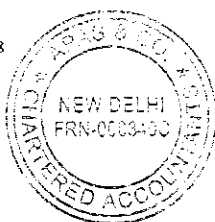
\* Other comprehensive income represents remeasurement of defined benefit plans (net of tax)

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

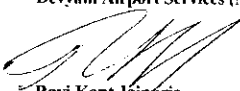
For APAS & Co.  
Chartered Accountants  
ICAI Firm Registration No. 4000340C

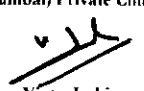
  
**Sumit Kathuria**  
Partner  
Membership No.: 520078

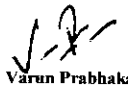


Place: Gurugram  
Date: 07/08/2019

For and on behalf of the Board of Directors of  
Devyani Airport Services (Mumbai) Private Limited

  
**Ravi Kant Jaiporia**  
Director  
DIN: 00003668

  
**Virag Joshi**  
Director  
DIN: 1821240

  
**Varun Prabhakar**  
Company Secretary  
M. No.: ACS 30496

Place: Gurugram  
Date: 07/08/2019

Place: Gurugram  
Date: 07/08/2019

Devyani Airport Services (Mumbai) Private Limited  
Cash Flow Statement for the year ended 31 March 2019  
All amounts are in Indian Rupees

	For the year ended March 2019	31 For the year ended 31 March 2018
<b>A. Cash flows from operating activities</b>		
Profit / (loss) before tax	(239,683,411)	(176,758,389)
Adjustments for:		
Depreciation and amortisation expense	36,611,176	43,944,188
Impairment (reversal)/ loss	111,073,442	48,778,554
Liabilities no longer required written back	(130,827)	(9,972,741)
Loss on disposal of property plant and equipment (net)	1,837,130	-
Allowance for doubtful debts	1,400,853	-
Deferred rent amortisation ( included in rent expenses)	5,741,591	5,414,725
Deferred income amortisation (included in other income)	(225,527)	(208,224)
Interest on borrowings measured at amortised cost	3,669,923	4,019,617
Interest accretion on financial liabilities measured at amortised cost	15,685,783	45,628,286
Interest income from Bank deposits and others	(173,028)	(164,370)
Interest income from financial assets at amortized cost	(5,072,342)	(4,316,735)
<b>Operating profit before working capital changes</b>	<b>(69,265,237)</b>	<b>(43,635,090)</b>
Adjustments for:		
(Increase)/decrease in trade receivables	5,762,898	(1,529,807)
(Increase)/decrease in inventories	(1,616,666)	2,344,714
(Increase)/decrease in loans, other financial assets, and other assets	(1,945,363)	(5,571,855)
Increase/(decrease) in trade payables, other financial liabilities and other liabilities	13,392,065	17,437,334
<b>Cash generated from operating activities</b>	<b>(53,672,303)</b>	<b>(30,954,704)</b>
Income tax (paid)/refund (net)	(986,107)	(1,292,909)
<b>Net cash generated from operating activities</b>	<b>(54,658,410)</b>	<b>(32,247,613)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of Property, plant and equipment and intangible assets	(3,551,901)	(2,885,339)
Proceeds from sale of Property, plant and equipment	420,900	-
Deposits made with banks due to mature within 12 months from the reporting date (net)	(160,220)	(115,988)
Interest received	173,028	131,693
<b>Net cash generated / used in investing activities</b>	<b>(3,098,192)</b>	<b>(2,869,634)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from unsecured loans	60,000,000	-
Repayment of unsecured loans	-	(88,306,573)
Interest paid	(3,627,707)	(5,485,557)
Proceeds from issue preference shares capital	-	131,078,080
<b>Net cash generated from financing activities</b>	<b>56,372,293</b>	<b>37,285,950</b>
<b>Net decrease in cash and cash equivalents during the year (A+B+C)</b>	<b>(1,384,309)</b>	<b>2,168,703</b>
<b>D. Cash and cash equivalents at the beginning of the year</b>		
Cash on hand	735,619	1,687,933
Cash in transit	3,750,628	-
Balance with banks:		
-on current accounts	3,632,870	4,262,481
	<b>8,119,117</b>	<b>5,950,414</b>
<b>E. Cash and cash equivalents as at the end of the year</b>		
Cash on hand	380,742	735,619
Cash in transit	1,930,987	3,750,628
Balance with banks:		
-on current accounts	4,423,079	3,632,870
	<b>6,734,808</b>	<b>8,119,117</b>

Notes:

1 The Cash Flow Statement has been prepared in accordance with 'Indirect method' as set out in the Ind AS - 7 on 'Cash Flow Statements', as notified under Section 133 of the Companies Act, 2013, read with the relevant rules thereunder.



## 2. Changes in liabilities arising from financing activities

	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening balance of loans:		
Term loans and preference shares	386,836,060	321,980,624
<b>Cash flows</b>		
Repayment of unsecured loans	-	(88,306,573)
Proceeds from unsecured loans	60,000,000	-
Proceeds from issue of preference shares	-	131,078,080
<b>Non-cash changes</b>		
Changes in loans received at amortisation cost	15,457,806	22,083,929
<b>Closing balance of loans</b>		
Term loans and preference shares	462,293,866	386,836,060

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: 07/08/2019

For and on behalf of the Board of Directors of  
Devyani Airport Services (Mumbai) Private Limited

Ravi Kant Jajpuria

Director

DIN: 00003668

Virag Joshi

Director

DIN: 1821240

Varun Prabhakar

Company Secretary

M. No.: ACS 30496

Place: Gurugram

Date: 07/08/2019

Place: Gurugram

Date: 07/08/2019

**Devyani Airport Services (Mumbai) Private Limited**

**Summary of significant accounting policies and other explanatory information on the Financial Statements for the year ended 31 March 2018**

All amounts are in Indian Rupees

**1. Corporate Information**

Devyani Airport Services (Mumbai) Private Limited ('the Company') is a joint venture of Devyani International Limited and High Street Food Services Private Limited. The Company was incorporated on 18 April 2013 under the provision of the Companies Act, 1956. The Company is in the business of operating food court and other F&B outlets at Mumbai Airport. The main source of income of the Company is sale of food and beverages. However, the Company also earns some revenue from branding and visibility charges.

**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. Functional and presentation currency**

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded off to the nearest rupees, unless otherwise indicated.

**c. Basis of measurement**

These financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities and plan assets relating to defined benefit obligations, which have been measured at fair value.

**d. Measurement of fair values**

With respect to the Company's assets and liabilities measured at fair value, the management team reviews the significant inputs and valuation adjustments. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Input other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**2.2 Significant accounting policies**

**(a) Property, plant and equipment:**

**i. Recognition and measurement:**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. Any directly attributable cost of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located.

**Tangible fixed assets**

Owned tangible fixed assets are stated at the cost of acquisition including incidental costs related to acquisition and installation, less accumulated depreciation and impairment losses, if any. Cost is inclusive of freight, duties (except for refundable duties), taxes and other directly attributable costs incurred to bring the assets to their working condition for intended use.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other cost directly attributable to bringing the item to working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located.

If a significant part of an item of property, plant and equipment have different useful lives then they are accounted for as separate items of property, plant and equipment.

**ii. Capital work-in-progress**

Fixed assets under construction and cost of assets not ready for use as at the balance sheet date are disclosed as capital work-in-progress.

**iii. Intangible assets**

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

**iv. Subsequent expenditure:**

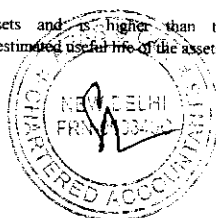
Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Company.

**v. Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values and is charged to the Statement of Profit and Loss. Depreciation on tangible fixed assets is provided pro rata to the period of use, based on straight line method at rates specified in Schedule II of the Act except in case of Plant and Machinery, furniture & fixtures and Smallware. In view of the management such rates represents the useful life of such assets.

Rate of depreciation on Plant & Machinery is 10.34% and on furniture & fixtures is 12.5% and on smallware is 33.33%.

In view of the management, this rate represents the useful life of the assets and is higher than the rates prescribed in Schedule II of the Act. Depreciation on leasehold improvements is provided over their respective lease period or the estimated useful life of the assets, whichever is shorter.



**Devyani Airport Services (Mumbai) Private Limited**

**Summary of significant accounting policies and other explanatory information on the Financial Statements for the year ended 31 March 2018**

**All amounts are in Indian Rupees**

In respect of assets acquired/sold during the year, depreciation has been provided on pro-rata basis with reference to the days of addition/put to use or disposal.

The Company has technically evaluated all the tangible fixed assets for determining the separate identifiable assets having different useful lives under the component approach as required under Schedule II of Companies Act, 2013. On technical evaluation of all separate identifiable components, the management is of the opinion that they do not have any different useful life from that of the principal asset.

**(B) Intangible fixed assets and amortisation**

Intangible assets acquired are measured at cost. Intangible assets comprise of license fees and computer software which is not an integral part of the hardware. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any. Intangible assets with finite useful life are assessed for impairment whenever there is an indication that the intangible assets may be impaired.

Intangible assets related to license fees is amortised at a rate of 9.09% per annum on the straight line method, basis its useful life as estimated by the management.

Computer software is amortised at a rate of 33.33% per annum on the straight line method, basis its useful life as estimated by the management.

**b. Inventories**

Inventory of provisions, food and beverages are valued at lower of cost and net realisable value. Cost is determined on first-in first-out ('FIFO') basis.

Cost includes freight and other directly related cost to bring inventory to its present condition and location. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Provision for obsolescence is determined based on management's assessment and is charged to the Statement of Profit and Loss.

**c. Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 01 April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Lease of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownerships are classified as finance lease. The leased assets are measured initially at an amount equal to the lower of their fair value and present value of minimum lease payment. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

All other leases are classified as operating leases.

Payments made under operating lease are recognised in the Statement of Profit and Loss on accrual basis as per the terms of the lease agreements.

Minimum lease payment under the finance leases are apportioned between the finance charges and the reduction of outstanding liability.

**d. Borrowing costs**

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

**e. Impairment of non-financial assets - property, plant and equipment and intangible assets:**

The carrying values of assets are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount and is recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed 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.

**f. Provisions and Contingencies**

A provision is recognised if, as a result of past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an out flow of economic benefit will be required to settle the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

**g. Employee benefits**

The Company's obligations towards various employee benefits have been recognised as follows:

**i. Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid. Benefits such as salaries, bonus, are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

**ii. Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company pays fixed contributions to Provident Fund scheme and Employees' State Insurance scheme to the appropriate Government authorities and has no obligation to pay further amounts. Such fixed contributions are recognised in the Statement of Profit and Loss on accrual basis in the financial year to which they relate.



**Devyani Airport Services (Mumbai) Private Limited**

**Summary of significant accounting policies and other explanatory information on the Financial Statements for the year ended 31 March 2018**

All amounts are in Indian Rupees

**iii. Defined benefit plans**

Defined benefit plans of the Company comprise of gratuity.

The Company provides for gratuity, a defined benefit plan, which defines an amount of benefit that an employee will receive on separation from the Company, usually dependent on one or more factors such as age, years of service and remuneration. The liability recognised in the balance sheet for defined benefit plan is the present value of the defined benefit obligation ("DBO") as computed by an independent actuary at the balance sheet date, together with adjustments for unrecognised actuarial gains or losses and past service costs.

The liability in respect of defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

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

**iv. Other long-term employee benefits**

Benefits under the entitlement to compensated absences constitute other long-term employee benefits. The liability in respect of compensated absences is provided on the basis of an actuarial valuation at the year-end using the Projected Unit Credit Method. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

**h. Tax expense**

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity.

**i Current income tax**

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 and rules thereunder. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity).

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**ii Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their book bases. Deferred tax liabilities are recognised for all temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the relevant members of the Company will pay normal income tax during the specified period. Such asset is reviewed at each reporting period end and the adjusted based on circumstances then prevailing.

**i. Foreign currency transactions and translations**

Transactions in foreign currencies are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

**j. 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.

**Sales of products:**

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





**Devyani Airport Services (Mumbai) Private Limited**

**Summary of significant accounting policies and other explanatory information on the Financial Statements for the year ended 31 March 2018**

All amounts are in Indian Rupees

**Service income:**

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

**Branding income and visibility charges:**

Branding income and visibility charges are recognised at pre-determined rates on accrual basis in accordance with the terms of respective contracts

**Interest income:**

Interest Income from a financial asset is recognised using effective interest rate method.

**k. 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.

**(l) Financial assets**

**A. Recognition and initial measurement:**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue.

**B. Classification and subsequent measurement:**

**a) Financial assets carried at amortised cost**

A financial asset is measured at the amortised cost where the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise to cash flows on specified dates that are solely payments of principal and interest. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The interest income from these financial assets is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

**b) Financial assets at fair value through other comprehensive income ('FVTOCI')**

A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**c) Financial assets at fair value through profit or loss ('FVTPL')**

A financial asset which is not classified in any of the above categories are fair valued through profit or loss.

**C. De-recognition of financial assets**

A financial asset is derecognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive the contractual cash flows from the asset in a transaction in which substantially all the risks and rewards of ownership of the asset are transferred.

**D. Impairment of financial assets**

The Company measures the Expected Credit Loss ("ECL") associated with its assets based on historical trends, industry practices and the general business environment in which it operates. The impairment methodology applied depends on whether there has been a significant increase in credit risk. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss under the head 'other expenses'.

**(ii) Financial Liabilities**

**A. Initial recognition and measurement:**

All financial liabilities are recognized initially at fair value and in case of loans net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

**B. Classification, subsequent measurement:**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is held for trading, or it is a derivative or it is designated as such as on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gain or loss, including any interest expense are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gain or loss are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

**C. 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.

Subsequent to the initial recognition, the liability component of the compounded financial instrument is measured at amortised cost using the effective interest method. The capital reserve (equity component) of the compounded financial instrument is not remeasured subsequently.

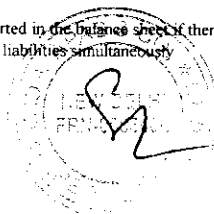
Interest on liability component is recognised in the statement of profit and loss.

**C. De-recognition of financial liabilities**

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

**Offsetting of financial instruments**

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



**Devayani Airport Services (Mumbai) Private Limited**

**Summary of significant accounting policies and other explanatory information on the Financial Statements for the year ended 31 March 2018**

All amounts are in Indian Rupees

**l. Earnings per share**

Basic earnings/ (loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events, other than conversion of potential equity shares, that have changed the number of equity shares outstanding without a corresponding change in resources.

For the purpose of calculating diluted earnings/(loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**m. Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**n. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise 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. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

**o. Non-current assets and liabilities classified as held for sale**

Non-current assets classified as held for sale are presented separately in the Balance Sheet and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. Once classified as held for sale, the assets are not subject to depreciation or amortisation. Any gain or loss arises on remeasurement or sale is included in Statement of Profit and Loss.

**p. Current-non-current classification**

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

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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 date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. 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 financial liabilities some part of which may be non-current. All other liabilities are classified as non-current.

**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 not to exceed one year in all cases for the purpose of classification of assets and liabilities as current and non-current.

**q. Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

**i) Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

**a) Contingencies**

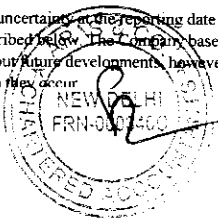
Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

**b) Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

**ii) Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.



**Devyani Airport Services (Mumbai) Private Limited**

**Summary of significant accounting policies and other explanatory information on the Financial Statements for the year ended 31 March 2018**

**All amounts are in Indian Rupees**

**a) Useful lives of depreciable assets**

The Company reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

**b) Defined benefit obligation**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. In view of the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**c) Inventories**

The Company estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

**d) Impairment of non-financial assets**

In assessing impairment, Company estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

**e) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**(r) Recent accounting pronouncements**

**Standards issued but not yet effective**

**(a) 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.

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

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

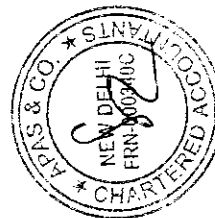
- Appendix C to Ind AS 12, Income taxes
- Amendments to Ind AS 12, Income taxes
- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs
- Amendments to Ind AS 109, Financial Instruments



Devyani Airport Services (Mumbai) Private Limited  
Notes forming part of the financial statements for the year ended 31 March 2019  
All amounts are in Indian Rupees

3 Property, plant and equipment

Particulars	Leasehold improvements	Plant and equipment	Furniture and fixtures	Computer equipment	Utensil and kitchen equipment	Total (A)
<b>Balance as at 31 March 2017</b>	204,292,627	75,393,018	34,777,957	6,098,281	4,085,091	324,646,974
Additions during the year	6,756,733	-	453,200	68,000	-	7,277,933
Disposals during the year	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	211,049,360	75,393,018	35,231,157	6,166,281	4,085,091	331,924,907
Additions during the year	-	56,876	1,572,346	-	-	1,629,222
Disposals during the year	-	(2,937,251)	(2,706,847)	-	-	(5,644,098)
<b>Balance as at 31 March 2019</b>	211,049,360	72,512,643	34,096,656	6,166,281	4,085,091	327,910,031
<b>Accumulated depreciation and impairment losses</b>						
<b>Balance as at 31 March 2017</b>	22,042,175	7,547,033	4,812,437	3,186,425	2,517,951	40,106,021
Depreciation for the year	23,185,584	8,758,778	5,143,199	1,712,640	959,480	39,759,680
Impairment charge for the year	32,609,369	9,474,956	3,138,641	51,935	378,582	45,653,483
Disposals during the year	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	77,837,128	25,780,767	13,094,277	4,951,000	3,856,013	125,519,184
Depreciation for the year	21,593,634	6,611,414	3,737,224	994,995	229,078	33,166,345
Impairment charge for the year (refer to note 3c)	72,916,525	21,077,453	10,687,878	55,023	-	104,736,879
Disposals during the year	-	(1,208,198)	(2,177,870)	-	-	(3,386,068)
<b>Balance as at 31 March 2019</b>	172,347,286	52,261,436	25,341,509	6,001,017	4,085,091	260,036,340
<b>Carrying amount (net)</b>						
<b>Net carrying value as at 31 March 2018</b>	133,212,232	49,612,252	22,136,880	1,215,281	229,078	206,405,722
<b>Net carrying value as at 31 March 2019</b>	38,702,073	20,251,207	8,755,146	165,263	0	67,873,691



**Devayani Airport Services (Mumbai) Private Limited**  
**Notes forming part of the financial statements for the year ended 31 March 2019**  
**All amounts are in Indian Rupees**

**4. Intangible assets**

<b>Particulars</b>	<b>Software</b>	<b>Licenses fee</b>	<b>Total</b>
<b>Balance as at 31 March 2017</b>	742,121	32,341,013	33,083,134
Additions during the year	-	-	-
Disposals during the year	-	-	-
<b>Balance as at 31 March 2018</b>	742,121	32,341,013	33,083,134
Additions during the year	-	-	-
Disposals during the year	-	-	-
<b>Balance as at 31 March 2019</b>	742,121	32,341,013	33,083,134
<b>Accumulated amortisation and impairment losses</b>			
<b>Balance as at 31 March 2017</b>	438,356	3,801,449	4,239,805
Amortisation for the year	262,824	3,921,684	4,184,508
Impairment charge for the year	-	3,125,071	3,125,071
<b>Balance as at 31 March 2018</b>	701,180	10,848,204	11,549,384
Amortisation for the year	-	3,444,831	3,444,831
Impairment charge for the year (refer to note 36)	40,941	6,295,622	6,336,563
<b>Balance as at 31 March 2019</b>	742,121	20,588,656	21,330,777
<b>Carrying amount (net)</b>			
<b>Net carrying value as at 31 March 2018</b>	<b>40,941</b>	<b>21,492,809</b>	<b>21,533,750</b>
<b>Net carrying value as at 31 March 2019</b>	<b>-</b>	<b>11,752,357</b>	<b>11,752,357</b>



**Devyani Airport Services (Mumbai) Private Limited**  
**Notes forming part of the financial statements for the year ended 31 March 2019**  
**All amounts are in Indian Rupees**

**5. Loans**

(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
Security deposits	47,194,065	41,957,767	100,000	-
	47,194,065	41,957,767	100,000	-

**6. Other financial assets**

(Unsecured considered good, unless otherwise stated)

	Current	
	As at 31 March 2019	As at 31 March 2018
Interest accrued but not due on bank deposits	92,248	95,948
Other receivable	33,333	1,033,562
	125,581	1,129,510

**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
Prepaid expenses	306,392	-	5,538,643	5,652,963
Deferred rent	24,961,967	30,371,471	5,745,548	5,741,591
Balance with statutory/government authorities	70,000	70,000	25,436	-
Income tax paid under protest	2,064,269	-	-	-
Advance to suppliers	143,476	56,760	-	19,200
	27,546,105	30,498,232	11,309,627	11,413,754

**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	6,939,749	5,323,083
Project Material	1,056,375	1,056,375
	7,996,124	6,379,458

**9. Trade receivables**

(Unsecured considered good, unless otherwise stated)

	As at 31 March 2019	As at 31 March 2018
Trade receivables		
- Considered good	6,435,599	13,599,350
- Considered doubtful	1,400,853	-
	7,836,452	13,599,350
Less: Impairment allowances for doubtful receivables	(1,400,853)	-
	6,435,599	13,599,350

**10. Cash and cash equivalents**

	As at 31 March 2019	As at 31 March 2018
Balance with banks :		
- On current accounts	4,423,079	3,632,870
Cash on hand	380,742	735,619
Cash in transit	1,930,987	3,750,628
	6,734,808	8,119,117

**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	2,501,756	2,341,536
	2,501,756	2,341,536

\*Pledged as security with statutory authorities/banks



**Devyani Airport Services (Mumbai) Private Limited**  
**Notes forming part of the financial statements for the year ended 31 March 2019**  
**All amounts are in Indian Rupees**

**12. Share capital**

**Authorised**

10,000,000 (31 March 2018: 10,000,000), equity shares of ₹ 10 each

As at 31 March 2019	As at 31 March 2018
100,000,000	100,000,000

**Issued, subscribed and paid -up**

6,000,000 (31 March 2018: 6,000,000 equity shares of ₹ 10 each)

60,000,000	60,000,000
<b>60,000,000</b>	<b>60,000,000</b>

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

**Equity shares issued, subscribed and paid up**

At the beginning of the year

At the end of the year

As at 31 March 2019	As at 31 March 2018
60,000,000	60,000,000
<b>60,000,000</b>	<b>60,000,000</b>

**b) Rights, preferences and restrictions attached to equity shares**

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

**c) Shares 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

As at 31 March 2019		As at 31 March 2019	
Number of shares held	% of holding	Number of shares held	% of holding
3,060,000	51.00%	3,060,000	51.00%
<b>3,060,000</b>		<b>3,060,000</b>	

**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  
 High Street Food Services Private Limited

As at 31 March 2019		As at 31 March 2019	
Number of shares held	% of holding	Number of shares held	% of holding
3,060,000	51.00%	3,060,000	51.00%
2,940,000	49.00%	2,940,000	49.00%
<b>6,000,000</b>	<b>100.00%</b>	<b>6,000,000</b>	<b>100.00%</b>

e) There is no stock options has been given by the company.

**f) Preference Share Capital**

The company also has authorised preference share capital of 44,000,000 (previous year 44,000,000) preference shares of Rs. 10 each.

**13. Other equity**

**Reserve and Surplus**

Promoter contribution in equity

As at 31 March 2019	As at 31 March 2018
(579,657,716)	(231,654,091)
121,163,421	121,163,421
<b>(458,494,295)</b>	<b>(110,490,670)</b>

**a) Reserve and Surplus**

Retained Earnings

Total

As at 31 March 2019	As at 31 March 2018
(579,657,716)	(231,654,091)
<b>(579,657,716)</b>	<b>(231,654,091)</b>

**(i) Retained Earnings**

Balance at the beginning of the year

Add: Profit (Loss) for the year

Add: Transferred from other comprehensive income - Remeasurement of defined benefit plans (net of tax)

Balance at the end of the year

As at 31 March 2019	As at 31 March 2018
(231,654,092)	(112,472,999)
(348,568,577)	(119,479,229)
564,953	298,136
<b>(579,657,716)</b>	<b>(231,654,092)</b>

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

Other comprehensive income for the year

Balance at the beginning of the year

Actuarial losses on defined benefit plan for the year (net of tax) (Refer to Note 32)

Transferred to retained earnings

Balance at the end of the year

As at 31 March 2019	As at 31 March 2018
-	-
564,953	298,136
<b>(564,953)</b>	<b>(298,136)</b>



#### 14. Borrowings

1) Unsecured loan from Devyani International Limited outstanding Rs. 60,000,000/-

(ii) The unsecured loan is repayable in 10 equal quarterly installments of Rs. 6,000,000. The first installments become due on 28th September 2019.

a. Interest rate of loan is 12% per annum (previous year 12% per annum).

**3) Terms/rights attached to 8% redeemable, non-cumulative, non-convertible preference shares:**

### 15. Other financial liabilities

## 16. Provisions

## 17. Other liabilities





**Devyani Airport Services (Mumbai) Private Limited**  
**Notes forming part of the financial statements for the year ended 31 March 2019**  
**All amounts are in Indian Rupees**

**18. Trade payables**

- Related parties (Refer to Note 30)
- Micro and small enterprises (Refer Note below)
- Other trade payables

As at 31 March 2019	As at 31 March 2018
50,131,450	33,089,450
3,329,080	-
50,419,386	51,587,716
103,879,916	84,677,166

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**

The amounts remaining unpaid to micro and small suppliers as at the end of the year

- Principal
- Interest

As at 31 March 2019	As at 31 March 2018
3,329,080	-
193,259	-

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

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

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed

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

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.

-	-
-	-
-	-
-	-
-	-

**19. Revenue from operations**

- Sale of products
  - Finished goods
- Other operating revenues
  - Marketing and other support services

For the year ended 31 March 2019	For the year ended 31 March 2018
513,807,627	463,860,661
14,134,018	17,084,620
527,941,645	480,945,281

**20. Other income**

Interest income under effective interest method from:

- bank deposits
- others

Interest income from financial assets at amortized cost

Other non-operating income :

- Liabilities no longer required written back
- Net gain on foreign currency transactions
- Rental income
- Misc income
- Commission income

For the year ended 31 March 2019	For the year ended 31 March 2018
165,081	157,048
7,947	7,322
5,072,342	4,316,735
130,827	9,972,741
3,077	-
225,527	208,224
-	17,038
457,634	639,988
6,062,435	15,319,096

**21. Cost of materials consumed**

**Raw material and packing material consumed**

- Inventories at the beginning of the year
- Add: Purchases during the year (net)
- Less: Inventories at the end of the year

For the year ended 31 March 2019	For the year ended 31 March 2018
5,323,083	4,849,651
122,170,116	126,898,895
6,939,749	5,323,083
120,553,450	126,425,463

**22. Employee benefits expense**

- Salaries, wages and bonus
- Contribution to provident and other funds
- Expenses related to post-employment defined benefit plan (Refer to Note 32)
- Staff welfare expenses

For the year ended 31 March 2019	For the year ended 31 March 2018
64,183,844	70,520,596
5,421,904	6,304,240
1,211,168	1,303,405
570,686	557,313
71,387,602	78,685,554

**23. Finance costs**

**Interest expenses**

- Interest on borrowings measured at amortised cost
- Interest accretion on financial liabilities measured at amortised cost
- Others

For the year ended 31 March 2019	For the year ended 31 March 2018
3,669,923	4,019,617
15,685,783	45,628,286
27,752	4,742
19,383,458	49,652,645

**24. Depreciation and amortisation expense**

- Depreciation on property, plant and equipment (Refer to Note 3)
- Amortisation of intangible assets (Refer to Note 4)

For the year ended 31 March 2019	For the year ended 31 March 2018
33,166,345	39,759,680
3,444,831	4,184,508
36,611,176	43,944,188



**Devyani Airport Services (Mumbai) Private Limited**  
**Notes forming part of the financial statements for the year ended 31 March 2019**  
**All amounts are in Indian Rupees**

**25. Other expenses**

	<b>For the year ended 31 March 2019</b>	<b>For the year ended 31 March 2018</b>
Power and fuel	18,139,733	17,462,809
Rent (Refer to Note 29)	292,976,996	213,341,372
Repairs and maintenance		
- Plant and equipment	267,613	217,969
- Buildings	27,187,271	22,691,642
- Others	981,377	700,692
Rates and taxes	2,694,507	3,283,371
Travelling and conveyance	869,309	1,690,297
Legal and professional	3,121,818	7,663,297
Auditor's remuneration (Refer to Note below)	329,672	295,000
License Fee	8,827,266	8,074,127
Water charges	1,014,243	896,220
Insurance	1,232,701	1,137,544
Printing and stationery	1,158,095	621,661
Communication	9,991,624	9,667,784
Housekeeping and cleaning expenses	11,337,443	8,466,326
Bank charges	307,286	243,182
Advertisement and sales promotion	4,566,100	5,536,339
Credit card commission and cash pickup charges	3,536,491	3,138,239
Royalty and continuing fee	20,049,218	17,576,786
Freight, octroi and insurance paid	653,001	475,894
Loading and unloading charges	108,840	410,196
Loss on disposal of property plant and equipment (net)	1,837,130	-
Allowance for doubtful debts	1,400,853	-
General office and other miscellaneous expenses	2,089,776	1,745,615
	<b>414,678,363</b>	<b>325,536,562</b>

**Note - Auditor's remuneration**

	<b>For the year ended 31 March 2019</b>	<b>For the year ended 31 March 2018</b>
As auditor		
Statutory audit	295,000	295,000
Outlays	34,672	-
	<b>329,672</b>	<b>295,000</b>



## 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
<b>Current tax:</b>		
Current tax	-	-
<b>Deferred tax expense:</b>		
Attributable to Origination and reversal of temporary differences	108,885,166	(57,279,160)
	<b>108,885,166</b>	<b>(57,279,160)</b>

### (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	-	103,394
	<b>-</b>	<b>103,394</b>

### (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	(239,683,411)	(176,758,389)
Statutory income tax rate	26.00%	25.75%
Tax using the Company's domestic tax rate -26.00% (31 March 2018: 25.75%)	(62,317,687)	(45,515,285)
Rate change impact on deferred tax *	272,213	(5,048,190)
Change in recognised unabsorbed depreciation	-	(3,162,117)
Change in recognised tax losses	-	(3,639,532)
Others	-	85,964
Deferred tax assets not recognised due to lack of virtual/probable certainty	170,930,640	-
<b>Income tax expense at effective tax rate reported in the Statement of Profit and Loss</b>	<b>108,885,166</b>	<b>(57,279,160)</b>

\* 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)	3,314,351	2,328,244
	<b>3,314,351</b>	<b>2,328,244</b>

### (e) Deferred tax assets/liabilities

Deferred tax assets	Deferred tax assets		(Deferred tax liabilities)		Net deferred tax assets / (liabilities)	
	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	As at 31-Mar-18
Property, plant and equipment and intangible assets (net)	-	11,971,263	-	-	-	11,971,263
Employee related provisions and liabilities	-	1,565,235	-	-	-	1,565,235
Financial assets at amortised cost	-	2,434,944	-	-	-	2,434,944
Financial liabilities at amortised cost	-	18,679,903	-	-	-	18,679,903
Losses	-	22,476,513	-	-	-	22,476,513
Unabsorbed depreciation	-	51,757,308	-	-	-	51,757,308
	-	<b>108,885,166</b>	-	-	-	<b>108,885,166</b>
Deferred tax liabilities	-	-	-	-	-	-
Deferred tax assets	-	-	-	-	-	<b>108,885,166</b>
Deferred tax assets recognised*	-	-	-	-	-	<b>108,885,166</b>

\* As at 31 March 2019, the Company has significant unabsorbed depreciation and carry forward losses. Further, there exists no convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Accordingly, the Company has recognised deferred tax asset only to the extent of deferred tax liabilities.

### (f) Movement of temporary differences

	As at 31-Mar-17	Temporary differences	As at 31-Mar-18	Temporary differences	As at 31-Mar-19
Property, plant and equipment and intangible assets (net)	(7,763,904)	19,735,167	11,971,263	(11,971,263)	-
Employee related provisions and liabilities	1,276,681	288,554	1,565,235	(1,565,235)	-
Financial assets at amortised cost	2,152,212	282,732	2,434,944	(2,434,944)	-
Financial liabilities at amortised cost	6,984,237	11,695,666	18,679,903	(18,679,903)	-
Losses	9,657,185	12,819,328	22,476,513	(22,476,513)	-
Unabsorbed depreciation	39,402,989	12,354,319	51,757,308	(51,757,308)	-
	<b>51,709,400</b>	<b>57,175,766</b>	<b>108,885,166</b>	<b>(108,885,166)</b>	-

## 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 shareholders for calculation of basic and diluted EPS	(348,568,577)	(119,479,229)
Weighted average number of equity shares for the calculation of basic EPS	6,000,000	6,000,000
Basic earnings / (loss) per share (Rs.)	(58.09)	(19.91)
Diluted earnings / (loss) per share (Rs.)	(58.09)	(19.91)
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

Particulars	Note	Carrying value			Total	Fair value measurement using		
		Fair value through profit and loss ('FVTPL')	Fair value through other comprehensive income ('FVOCI')	Amortised cost		Level 1	Level 2	Level 3
<b>Financial assets</b>								
<b>Non current</b>								
(i) Loans	5	-	-	47,194,065	47,194,065	-	-	47,194,065
<b>Current</b>								
(i) Trade receivables*	9	-	-	6,435,599	6,435,599			
(ii) Cash and cash equivalents*	10	-	-	6,734,808	6,734,808			
(iii) Bank balances other than cash and cash equivalents, above *	11	-	-	2,501,756	2,501,756			
(iv) Loans	5	-	-	100,000	100,000	-	-	100,000
(v) Other financial assets*	6	-	-	125,581	125,581			
<b>Total</b>		-	-	<b>578,235,801</b>	<b>578,235,801</b>	-	-	-
<b>Financial liabilities</b>								
<b>Non current</b>								
(i) Borrowings#	14	-	-	443,902,946	443,902,946	-	-	443,902,946
(ii) Other financial liabilities	15	-	-	2,301,860	2,301,860	-	-	2,301,860
<b>Current</b>								
(i) Trade payables*	18	-	-	103,879,916	103,879,916			
(ii) Other financial liabilities	15	-	-					
Current portion of long-term borrowings#		-	-	18,390,920	18,390,920	-	-	18,390,920
Interest accrued but not due on borrowings#		-	-	471,270	471,270	-	-	471,270
Capital creditors*		-	-	9,288,888	9,288,888			
<b>Total</b>		-	-	<b>578,235,801</b>	<b>578,235,801</b>	-	-	-

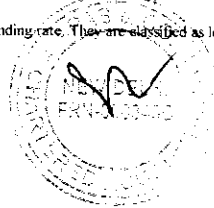
(ii) As on 31 March 2018

Particulars	Note	Carrying value			Total	Fair value measurement using		
		Fair value through profit and loss ('FVTPL')	Fair value through other comprehensive income ('FVOCI')	Amortised cost		Level 1	Level 2	Level 3
<b>Financial assets</b>								
<b>Non current</b>								
(i) Loans	5	-	-	41,957,767	41,957,767	-	-	41,957,767
<b>Current</b>								
(i) Trade receivables*	9	-	-	13,599,350	13,599,350			
(ii) Cash and cash equivalents*	10	-	-	8,119,117	8,119,117			
(iii) Bank balances other than cash and cash equivalents, above *	11	-	-	2,341,536	2,341,536			
(v) Other financial assets*	6	-	-	1,129,510	1,129,510			
<b>Total</b>		-	-	<b>67,147,280</b>	<b>67,147,280</b>			
<b>Financial liabilities</b>								
<b>Non current</b>								
(i) Borrowings#	14	-	-	386,445,140	386,445,140	-	-	386,445,140
(ii) Other financial liabilities	15	-	-	1,790,170	1,790,170	-	-	1,790,170
<b>Current</b>								
(i) Trade payables*	18	-	-	84,677,166	84,677,166			
(ii) Other financial liabilities	15	-	-					
Current portion of long-term borrowings#		-	-	390,920	390,920	-	-	390,920
Interest accrued but not due on borrowings#		-	-	429,054	429,054	-	-	429,054
Capital creditors*		-	-	11,191,567	11,191,567			
<b>Total</b>		-	-	<b>484,924,016</b>	<b>484,924,017</b>			

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

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

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



There has been no transfer between level 1, level 2 and level 3 for the years ended 31 March 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 : and
- Market Risk - Interest Rate

#### Risk Management Framework

The Board of Directors of the Company is responsible for reviewing the risk management policies and ensuring its effectiveness.

The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate risks limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in the market conditions and the Company's activities.

The Risk management committee oversees how management monitors compliance with Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by the Company.

#### i. Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Loans	47,294,065	41,957,767
(ii) Trade receivables	7,836,452	13,599,350
(iii) Cash and cash equivalents	6,734,808	8,119,117
(iv) Bank balances other than above	2,501,756	2,341,536
(v) Other financial assets ( current and non-current )	125,581	1,129,510

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 environment in which it operates. The Company manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

On adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available internal credit risk factors such as the Company's historical experience for customers. Based on the business environment in which the Company operates, management considers that the trade receivables (other than receivables from subsidiaries) are in default (credit impaired) if the payments are more than 90 days past due however the Company based upon past trends determine an impairment allowance for loss on receivables outstanding for more than 180 days past due. Majority of trade receivables are from domestic customers, which are fragmented and are not concentrated to individual customers.

The Company's exposure to credit risk for trade receivables is as follows:

Particulars	Gross Carrying Amount	
	As at 31 March 2019	As at 31 March 2018
Not due		
1-90 days past due *	6,260,853	11,109,999
91 to 180 days past due	174,747	2,489,351
More than 180 days past due #	1,400,853	-
	<b>7,836,452</b>	<b>13,599,350</b>

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

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

Movement in the allowance for impairment in respect of trade receivables	For the year 31 March 2019	For the year ended 31 March 2018
Balance at the beginning of the year	-	-
Impairment allowances for doubtful receivables	1,400,853	-
Balance at the end of the year	<b>1,400,853</b>	-



## (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 its 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. 9,236,564 (31 March 2018: Rs. 10,460,653), anticipated future internally generated funds from operations and its fully available, and other current assets (financial and non financial) of Rs. 27,367,784 (31 March 2018: Rs. 32,522,073) 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		Contractual cash flows				
Particulars	Carrying amount	Less than 6 Months	Between 6 Months and 1 year	Between 1 and 5 years	Greater than 5 years	Total
Borrowings including current portion	462,293,866	6,000,000	12,390,920	443,902,946	-	462,293,866
Trade payables	103,879,916	53,748,466	50,131,451	-	-	103,879,916
Security deposits payable	2,301,860	-	-	3,050,000	-	3,050,000
Capital Creditors	9,288,888	9,288,888	-	-	-	9,288,888
	578,235,801	69,508,624	62,522,371	446,952,946	-	578,983,941

As at 31 March 2018		Contractual cash flows				
Particulars	Carrying amount	Less than 6 Months	Between 6 Months and 1 year	Between 1 and 5 years	Greater than 5 years	Total
Borrowings including current portion	386,836,060	-	390,920	254,976,140	131,078,080	386,445,140
Trade payables	84,677,166	51,587,716	33,089,451	-	-	84,677,166
Security deposits payable	1,790,170	-	-	2,550,000	-	2,550,000
Interest accrued but not due on borrowings	429,054	429,054	-	-	-	429,054
Capital Creditors	11,191,567	11,191,567	-	-	-	11,191,567
	484,924,016	63,208,337	33,480,371	257,526,140	131,078,080	485,292,927



(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.

Fixed- rate instruments	As at	As at
	31 March 2019	31 March 2018
Indian rupee term loan	462,293,866	386,836,060

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 is Nil.

29. Operating leases

a) The Company has entered into concession agreement for operating various outlets at Mumbai International Airport. The agreement is non cancellable at the option of the lessee. The agreement has an escalation clause in the minimum monthly guarantee (MMG) amount.

b) Concession fees payable to Mumbai International Airport Private Limited ('MIAL') in relation to the locations recorded at the airport is recorded at higher of (i) the actual revenue share amount or (ii) the minimum monthly guarantee (MMG) as per license agreement signed with MIAL. Concession fee agreements are also cancellable by the MIAL on occurrence of various instances as defined in the License Agreement and after giving a notice 120 days. During the year, concession fee/rent amounting to Rs. 292,976,996 (previous year Rs. 213,541,372) have been recognised as an expense in the Statement of Profit and Loss. The company has not straightlined the minimum monthly guarantee (MMG) as required by IndAS-17 on lease accounting.

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

Particulars	As at	As at
	31 March 2019	31 March 2018
Payable within one year	310,058,590	224,221,906
Payable between one and five years	1,876,260,698	1,354,437,974
Payable after five years	272,199,580	728,274,118
<b>Total</b>	<b>2,458,518,868</b>	<b>2,306,933,998</b>



**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 International Limited (Parent Company)

**Joint venture partner:**

High Street Food Services Private Limited (Joint venture partner)

**(c) Key management personnel:**

Mr. Ravi Kant Jaipuria- Director  
Mr. Virag Joshi- Director  
Mr. Amit Arora- Director  
Mr. Ghanshyam Tiwari- Director  
Mr. Ashish Kumar Jain - Chief Financial Officer (till 22 August 2018)  
Mr. Shubhendra Dinesh Agarwal - Manager  
Mr. Varun Kumar Prabhakar - Company Secretary (wef 17 July 2018)

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

**(a) Parent and Ultimate Controlling Party:**

Devyani International Limited (Parent Company)

**(b) Joint venture partner:**

High Street Food Services Private Limited (Joint venture partner)

**(c) Key management personnel:**

Mr. Ashish Kumar Jain - Chief Financial Officer (till 22 August 2018)  
Mr. Shubhendra Dinesh Agarwal - Manager

**(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

**Transactions during the year**

Description	Holding company		Joint venture partner		Other Related Party		KMP	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b><u>Issue of preference share capital</u></b>								
Devyani International Limited	-	108,479,120	-	-	-	-	-	-
High Street Food Services Private Limited	-	-	-	22,598,960	-	-	-	-
<b><u>Repayment of Unsecured Loan</u></b>								
Devyani International Limited	-	66,285,833	-	-	-	-	-	-
High Street Food Services Private Limited	-	-	-	22,020,740	-	-	-	-
<b><u>Loan taken from:</u></b>								
Devyani International Limited	60,000,000	-	-	-	-	-	-	-
<b><u>Royalty paid</u></b>								
Devyani International Limited	5,252,233	5,203,770	-	-	-	-	-	-
<b><u>Purchase of goods</u></b>								
Devyani International Limited	7,258,425	1,281,980	-	-	-	-	-	-
<b><u>Others</u></b>								
Devyani International Limited	-	282,304	-	-	-	-	-	-
<b><u>Interest charges in respect of loans</u></b>								
Devyani International Limited	3,623,014	2,900,446	-	-	-	-	-	-
High Street Food Services Private Limited	-	-	46,910	1,119,170	-	-	-	-
<b><u>Rent Paid</u></b>								
SVS India Pvt Limited	-	-	-	-	12,000	12,000	-	-
<b><u>Salaries, Wages and bonus</u></b>								
Mr. Ashish Kumar Jain	-	-	-	-	-	-	843,414	1,927,384
<b><u>Rembursement of Expenses</u></b>								
Mr. Ashish Kumar Jain	-	-	-	-	-	-	68,289	189,000
<b><u>Professional charges paid</u></b>								
Devyani International Limited	466,000	-	-	-	-	-	-	-
<b><u>Sale of property, plant &amp; equipments</u></b>								
Devyani International Limited	420,898	-	-	-	-	-	-	-





Balances outstanding as at the year end:

Description	Holding company		Joint venture partner		Other Related Party		KMP	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Unsecured loan</b>								
Devyani International Limited	60,000,000	-	-	-	-	-	-	-
High Street Food Services Private Limited	-	-	390,290	390,290	-	-	-	-
<b>Interest payable on borrowings</b>								
High Street Food Services Private Limited	-	-	471,270	429,054	-	-	-	-
<b>Trade / Others payable</b>								
Devyani International Limited	50,131,450	33,089,450	-	-	-	-	-	-
Mr. Ashish Kumar Jain	-	-	-	-	-	-	-	119,355

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

	As at 31 March 2019	As at 31 March 2018
<b>Contingent liabilities:</b>		
(a) Claims against the Company not acknowledged as debts:-		
-Claims made by Income tax authorities	79,228,892	-
<b>Commitments:</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-



### 32. Employee benefits

#### Defined contribution plans

An amount of Rs. 5,421,904 (previous year: Rs. 63,04,240) 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	As at
	31 March 2019	31 March 2018
Present value of obligation as at beginning of the year	3,368,400	2,466,525
Interest cost	262,735	181,536
Current service cost	948,433	1,121,869
Benefits paid	(197,157)	-
Actuarial (Gain)/Loss recognised in other comprehensive income	(564,953)	(401,530)
<b>Present value of obligation as at end of year</b>	<b>3,817,458</b>	<b>3,368,400</b>

#### ii. Actuarial assumptions

##### A. Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes into account inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows:

Particulars	31 March 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	35	3
From 31 to 44 years	20	2
Above 44 years	33	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	948,433	1,121,869
(b) Interest cost	262,735	181,536
	<u>1,211,168</u>	<u>1,303,405</u>

**(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	564,953	401,530
	<u>564,953</u>	<u>401,530</u>
Expense recognised in the Statement of Profit and Loss	<u>646,215</u>	<u>901,875</u>

**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	3,817,458	3,368,400
Present value of obligation as at the beginning of the year	(3,368,400)	(2,466,525)
Benefits paid	197,157	-
Expenses recognised in the statement of Profit or Loss	<u>646,215</u>	<u>901,875</u>



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	559,723	46,406	186,550	3,024,779
31-Mar-18	14,691	80,704	190,813	3,082,192

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)	559,723	14,691
Non-current liability (amount due over one year)	3,257,735	3,353,709
	<b>3,817,458</b>	<b>3,368,400</b>

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%	(164,079)	(518,000)
b) Impact due to decrease of 1%	174,207	578,148

Impact of the change in salary on defined benefit obligation

Particulars	As at 31 March 2019	As at 31 March 2018
a) Impact due to increase of 1%	169,340	585,600
b) Impact due to decrease of 1%	(162,610)	(528,658)

The sensitivity analysis is based on a change in above assumption while holding all other assumptions constant. The changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied when calculating the provision for defined benefit plan recognised in the Balance Sheet.

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

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

Risk exposure:

The defined benefit plan is expected to a number of risks, the most significant of which are detailed below:

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

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



**Devyani Airport Services (Mumbai) Private Limited**  
**Notes forming part of the financial statements for the year ended 31 March 2019**  
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**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	513,807,627	463,860,661
(ii) International	-	-
b. Other Income	14,134,018	17,084,620
<b>Total</b>	<b>527,941,645</b>	<b>480,945,281</b>

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

**34. 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 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	443,902,946	386,445,140
Current portion of long-term borrowings	18,390,920	390,920
<b>Total Debt (A)</b>	<b>462,293,866</b>	<b>386,836,060</b>
Equity share capital	60,000,000	60,000,000
Other equity	(579,657,716)	(231,654,091)
<b>Total Equity (B)</b>	<b>(519,657,716)</b>	<b>(171,654,091)</b>
<b>Debt equity ratio (C= A/B)</b>	<b>-88.96%</b>	<b>-225.36%</b>

**35. Going Concern:** The accounts of the company are prepared on a going concern basis irrespective to the fact that as at 31 Mar 2019, the company has accumulated losses amounting to Rs 579,657,715/- and the company's current liabilities exceeded its current assets by Rs. 104,807,301/-. 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.

**36. Impairment of asset**

In accordance with Ind AS 36 "Impairment of Assets", the Company has identified individual stores as a separate cash generating unit for the purpose of impairment review. Management periodically assesses whether there is an indication that an asset may be impaired using a benchmark of two-year's history of operating losses or marginal profits for a store. Due to higher operating cost and decline in projected sales growth, certain stores have been impaired in the current year and in the previous year. Based on the results of impairment testing for these stores in the current year, the assets value of these stores aggregating Rs. 170,221,974/- (net of opening provision for impairment of Rs. 48,778,554/-) have been reduced to the recoverable amount of these stores aggregating Rs. 59,148,532/- by way of impairment charge of Rs. 1,110,73,442/- Recoverable amount is value in use of these stores computed based upon projected cash flows from operations with sales growth of 10% - 20% and salary growth rate of 6% consistently, over balance useful life of leasehold improvements being the principle asset, discounted at rate of 8.99 % p.a.

Management has identified that a reasonably possible change in the three key assumptions could cause a change in amount of Impairment loss/ (reversal). The following table shows the amount by which the Impairment loss/(reversal) would change on change in these assumptions by 1%. All other factors remaining constant.

**Increase/ (Decrease) in Impairment loss**

	For the year ended 31 March 2019	For the year ended 31 March 2018
Discount Rate		
(Increase by 1%)	3,861,484	1,560,914
(Decrease by 1%)	(4,112,006)	(1,696,514)
Sales Growth Rate		
(Increase by 1%)	(10,090,605)	3,902,284
(Decrease by 1%)	9,287,973	(3,543,396)
Salary Growth Rate		
(Increase by 1%)	4,448,015	1,951,142
(Decrease by 1%)	(4,362,217)	(1,792,254)

**37.** 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.

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



**Devyani Airport Services (Mumbai) Private Limited**  
**Notes forming part of the financial statements for the year ended 31 March 2019**  
**All amounts are in Indian Rupees**

**39. Capitalisation of pre-operative expenses**

Details of pre-operative expenditure incurred and capitalised is as under -

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Employee benefit expenses	-	895,872
Other Expenses	-	895,872

As per our report of even date attached

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

**Sumit Mathuria**  
Partner  
Membership No.: 520078



Place: Gurugram  
Date: 07/08/2019

For and on behalf of the Board of Directors of  
**Devyani Airport Services (Mumbai) Private Limited**

**Ravi Kant Jaipuria**  
Director  
DIN: 00003668

**Virag Joshi**  
Director  
DIN: 1821240

**Varun Prabhakar**  
Company Secretary  
M. No.: ACS 30496

Place: Gurugram  
Date: 07/08/2019

Place: Gurugram  
Date: 07/08/2019