DEVYANI
INTERNATIONAL LIMITED

Strong Core, Going for More.

2022-23
Annual Report

Stories Ahead

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

Forward-looking statements

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

Strong Core, Going for More.

At DIL, our robust foundation and multiple growth engines have paved the way for our success. Our diverse brand portfolio, comprising globally renowned and in-house brands, sets us apart in the market. With an extensive network of stores and a centralized supply chain, we have achieved significant scale in our business operations.

We prioritize reaching consumers anytime, anywhere, while maximizing cost efficiencies through our fast-expanding presence. Our unwavering focus on enhancing experiences drives our continued store expansion, enhanced delivery experience focused stores and the strategic integration of technology as a pillar of our strength.

As we confidently navigate the future, our strong core empowers us to seize new opportunities. Fueled by India's young and thriving working class population, we are going for more across all our brands. Our explosive expansion strategy encompasses both metros and emerging cities, complemented by ongoing investments in digital and technology capabilities, national supply chain infrastructure and a steadfast commitment to operational excellence.

With a solid foundation and a forward-looking approach, we are poised to build on our achievements. Join us as we embrace new horizons, leverage our strengths and deliver exceptional experiences for all our stakeholders.

Our Story

Established in 1991, Devyani International Limited (DIL) is one of India's largest operators of chain quick-service restaurants (QSRs). DIL boasts a diverse portfolio of iconic global brands and successful in-house creations. With an extensive network of stores and a strong focus on technology, the Company aims to achieve operational excellence, thereby forging a path of continuous growth and success.

DIL is the largest franchisee of Yum Brands[1] in India, on a non-exclusive basis. As the franchise partner of Yum Brands, we operate their renowned brands KFC and Pizza Hut in India, as well as in Nigeria (only KFC) and Nepal. We are also the sole franchisee for the Costa Coffee brand and stores in India. KFC, Pizza Hut, and Costa Coffee, together comprise our core brands.

Additionally, we have home-grown brands in our portfolio. This includes Vaango, a popular destination for South-Indian vegetarian food, and The Food Street, our food court brands that serves our multiple brands under one roof.

Over the years, we have maintained a sharp focus on expanding our store network. In response to evolving consumer expectations, we have also seamlessly integrated digital and delivery capabilities into our physical stores, enabling us to establish a strong omni-channel presence and enhance the accessibility of our brands.

Our wide presence, innovative food offerings and substantial synergies from a multi-brand portfolio contribute to fortifying our business model. Additionally, the adoption of cutting-edge technologies and effective management of our centralized supply chain further enhance our competitive advantage.

DIL is part of RJ Corp., a conglomerate that today is a powerhouse multinational with thriving businesses in beverages, fast-food restaurants, retail, ice-cream, dairy products, healthcare and education.

Vision

To be the most preferred Restaurant Company.

Mission

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

Purpose

Spreading happiness and joy on all occasions

Values

Ownership

Utilizing our resources judiciously by demonstrating care and concern.

Customer First

Our motto is to satisfy our internal and external customers through our service delivery and fulfilling the interests of stakeholders.

Sustainable Growth

Leveraging opportunities for overall development.

Financial Discipline

Maintaining financial discipline to ensure profitability.

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

Our Brand Portfolio

KFC | Pizza Hut | COSTA COFFEE | Vaango! Dosas Idlis & More | the food street

Our Business Verticals

Core Business

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

International Presence

Operations of KFC and Pizza Hut stores in Nepal and Nigeria (only KFC)

Other Businesses

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

Key Figures

26
Years of Association with Yum India

₹29,977 Million
Revenue from Operations for FY2023

1,108
Core Brand Stores

- **543** KFC Stores
- **510** Pizza Hut
- **112** Costa Coffee

₹6,551 Million
EBITDA for FY2023

₹2,625 Million
Net Profit for FY2023

1,243
Total System-wide Store Count

16,876
No. of Employees

240+
Cities in India having Core Brand Stores

Note: All figures are as of March 31, 2023, unless mentioned otherwise

Strengths that Define Our Core

Our key attributes and capabilities are fundamental to the identity of our organization, that drives our competitive advantage and shapes our sustained growth in the dynamic QSR industry.

01 Leading Global Brands

Our iconic global brands, namely KFC, Pizza Hut, and Costa Coffee, are renowned for their innovative and high-quality food offerings. With a diverse range of cuisine options and products that cater to various price points and appeal to consumers at any time of the day, our global brands are able to meet diverse consumer preferences. Moreover, to create exceptional experiences for our consumers and further enhance our brand appeal, we have strategically set up flagship stores for our global brands at prime locations. Looking ahead, the prospects for our global brands are highly promising. India has one of the largest and the youngest workforce in the world. The favorable demographics coupled with the growing trend for dining out or ordering in presents a significant opportunity for our global brands. Our strong conviction in the potential of our brands is demonstrated by their explosive growth in recent years.

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02 Extensive Consumer Reach

We have established a robust and expansive network of stores across India, allowing us to effectively reach a wide consumer base and drive business growth. Our growing store presence is a testament to our commitment to being closer to our consumers and providing them with our exceptional brand experience. We are dedicated to mapping the entire country and driving deep penetration across regions, ensuring that our globally renowned brands and our in-house brands are accessible to everyone. In line with this, we have also focused on integrating the online channel into the majority of our KFC and Pizza Hut stores, allowing consumers to conveniently access our brands and enjoy our offerings with just a few clicks. This seamless integration of offline and online channels not only enhances convenience but also enables us to provide faster deliveries, further enriching the overall consumer experience.

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03 Supply Chain & Operational Synergies

By leveraging a resilient supply chain system as the backbone of our operations, our brands have accelerated their growth. With centralized sourcing and regionally managed multi-brand, distribution and warehousing of raw materials, we have effectively minimized the need for storage space and realized cost efficiencies. Our multi-brand portfolio also provides the benefits of allocating corporate overhead across a wider restaurant network, competitive lease rentals for multiple brands in one location, and economies of scale. Moreover, our store expansion strategy follows a cluster-based model, strategically densifying and capturing a large share of wallet. This proximity facilitates streamlined supply chain management and optimized transportation costs for our backend operations, resulting in enhanced operational leverage.

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04 Strong Technology Focus

We are prioritizing technology to drive continuous improvement across all aspects of our operations. Through the adoption of latest digital ordering and payment technologies, we are enhancing consumer experiences while optimizing staffing costs. Additionally, significant investments in kitchen systems have enabled faster service and real-time order tracking for our dine-in consumers. Centralized procurement systems and automated contract management have streamlined our backend processes, improving efficiency and cost-effectiveness. Integration with third-party platforms and delivery channels has expanded our reach to a larger consumer base. We are also increasingly moving towards cloud-based systems for warehouse, logistics management, store-level compliance and license renewals.

05 Multifaceted Approach

We combine our vast industry experience with expertise in various areas. Our focus on quality, safety, consumer experience, digital adoption, delivery and fostering a strong people-centric culture sets us apart. We strive for speed in delivery, employing smarter approaches to meet consumer demands efficiently. Looking ahead, our goals revolve around investing in our people, strengthening the foundation of our success. Additionally, sustainability is a key priority, as we explore initiatives like installing solar panels and introducing electric bikes for food delivery, demonstrating our commitment to sustainable growth.

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06 People at the Core

We are a passionate and ambitious team, guided by the experience and vision of our senior leadership and promoters. Investing in human capital is a priority for us, and we prioritize the training and development of our employees. Each of our core brands has a dedicated learning and development team that provides comprehensive training modules and market-specific interventions, equipping our team members and managers with the necessary skills to excel in their roles and progress within the organization. Our work culture fosters openness and transparency, empowering our employees to contribute their best, enabling us to nurture leaders from within.

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07 Proven Track Record

Through efficient operational management and leveraging the advantages of scale, we have been able to generate strong returns on our investments. Our focus on enhancing brand performance, strategically expanding our network through meticulous site selection analysis and continuous cost optimization initiatives have further bolstered our financial performance. Even in the face of challenges posed by the COVID-19 pandemic, we have maintained impressive growth rates, with a 22% CAGR for store count, a 23% CAGR for revenue, and an impressive 46% CAGR for Operating EBITDA over the past four years.

Achievements of the Year

Opened highest-ever Net New Units (NNUs#)

Opened 305 NNUs in FY2023, as against the previous highest addition of 246 NNUs, taking our total store count to 1,243 and store count across our core brands to 1,165

#NNU = Gross additions less closure

Forayed into 38 new Indian cities

We are now present in 242 cities pan-India as of March 31, 2023, compared to 204 cities on March 31, 2022, for our core brands

Crossed the 1,000 store benchmark for our core brands

We now have 543 stores for KFC, 510 stores for Pizza Hut and 112 stores for Costa Coffee in our portfolio as of FY2023

Achieved 2X store count within three years

Total store count reached 1,243 as of March 31, 2023, compared to 610 stores on March 31, 2020

500+ Store milestone for KFC (India + International)

Added 138 KFC stores during the year

500+ Store milestone for Pizza Hut (India + International)

Added 94 Pizza Hut stores

100+ Store milestone for Costa Coffee

Added 57 Costa Coffee stores

50+ Store milestone for Vaango

Expanding network steadily by focusing on high footfall areas

Recorded highest-ever revenue

Revenue from operations stood at ₹ 29,977 million, with year-on-year growth of 44%

Recorded highest-ever consolidated reported EBITDA

Consolidated Reported EBITDA stood at ₹ 6,551 million, with a year-on-year growth of 38%

Recorded highest-ever PAT

Profit after Tax (PAT) stood at ₹ 2,625 million, with a year-on-year growth of 69%

Chairman's Message

Dear Shareholders,

It gives me immense pleasure to reconnect with you and reflect on yet another successful year for our Company. While the operating landscape presented several challenges, we navigated them with great dexterity. Our steadfast commitment to putting "Customers First" drove our strategic execution, leading to strong growth momentum and the achievement of significant milestones. This unwavering customer focus, evident across our brand portfolio, underscores our dedication to sustainable, long-term value creation.

WITH A PRESENCE IN OVER 240 CITIES THROUGH OUR CORE BRANDS, WE HAVE ESTABLISHED A STRONG, NATIONAL FOOTPRINT. STORE EXPANSION CONTINUES TO BE A PIVOTAL ASPECT OF OUR BUSINESS STRATEGY, ENABLING US TO CATER TO A LARGER CUSTOMER BASE.

During FY2023, emerging from the pandemic, the economy witnessed a sustained inflationary trend, particularly notable in the first half of the year. The rising prices started impacting consumer sentiments and the overall demand environment, which became evident in the second half of the year – especially post Diwali. This constraining of discretionary spending, significantly affected the FMCG and Retail sectors. Furthermore, the layoffs in the tech sector in the US had a direct bearing on consumer sentiments in India, as several US companies have their back office operations in this part of the world. Additionally, many Indian companies also implemented workforce rationalization measures, further contributing to a cautious consumer spending behavior.

Even in the face of these external uncontrollable factors, we remained steadfast to our commitment towards long-term store expansion, aiming to bring our brands closer to customers and provide enhanced experiences. In line with this long-term potential for our Brands, we added 305 net new units during the year, setting a new record for our Company compared to the previous year's 246 net new units. As a result, we operate a total of 1,243 stores across multiple countries and brands as of March 31, 2023, effectively more than doubling our store count over the last three years.

Our store expansion success supported our financial performance, which was marked by record revenues, highest-ever margins and record profits. These achievements are especially commendable considering the unprecedented inflation in the past year, potentially the highest in a decade. Our income grew 44% year-on-year, amounting to ₹30,303 million, showcasing the robustness of our brand portfolio. Through our strong emphasis on financial discipline and effective management of input costs, we achieved the highest-ever consolidated reported EBITDA of ₹6,551 million, reflecting a 38% year-on-year growth. Furthermore, our net profit reached ₹2,625 million, 69% increase from the previous year's ₹1,551 million.

The year also marked significant achievements for our core brands. Both KFC and Pizza Hut surpassed the noteworthy milestone of 500 stores each across the global portfolio. This remarkable growth performance was acknowledged and honored at the International Franchise Conference in Singapore, where DIL was awarded the prestigious 'Explosive Restaurant Growth Award' by Yum! Global. We also proudly celebrated the recent opening of our 100th Costa Coffee store, which stands as a testament to our firm commitment to the growth of all our core brands.

With a presence in over 240 cities, our core brands have established a strong and expansive footprint across India. Store expansion continues to be a pivotal aspect of our business strategy, enabling us to cater to a larger customer base. Our focus remains on strengthening our presence in existing cities and venturing into upcoming non-metro markets. We recognize the immense potential for growth in these non-metro markets, as customers in smaller towns aspire for experiences on par with their counterparts in larger cities. Currently, 53% of our stores are located in non-metros, versus only 48% in FY2021 – a mere 2 years ago.

Our store opening strategy continues to be aligned to the changing customer preferences. Realizing the growing trend for online ordering, we increased our focus on smaller-sized, delivery-focused stores vis-à-vis larger dining-oriented stores in India. Compact stores with their favorable cost metrics also provide us with greater opportunity to take our core brands deeper into the country. We are also actively investing in cutting-edge technology to enhance our digital capabilities, improve delivery efficiency and optimize overall operations, all with the goal of providing an enhanced experience to our valued customers. Moreover, the thrust on product innovation remains as strong as ever across all our brands, ensuring that we meet customer expectations and offer them more reasons to frequent our stores or order online.

With the aim to be future-ready, we have introduced 'KFC Smart Restaurants' in select cities. These flagship KFC stores provide an enhanced experience with digital capabilities, spacious layouts and diverse menus. Our current goal is to target 10% of our new KFC store openings as flagship stores. We strongly believe that these stores will help us in growing consumer salience for the KFC brand and solidify its presence in a fast growing fried-chicken segment.

As we begin the new fiscal year, there are encouraging initial indications of inflation stabilizing in India. This bodes well for a potential recovery in consumer spending in the latter half of the year. Despite these short-term challenges, the underlying factors driving industry growth in the medium and long term remain intact. India's favorable demographics, increasing income levels and evolving consumption patterns will continue to create growth opportunities for the QSR industry, which remains considerably underpenetrated in the country. Additionally, the expanding adoption of smartphones and growing prevalence of digital payments are reshaping the daily lives of Indians, providing further momentum for the sustained growth of the QSR industry.

IN ADDITION TO OUR STRONG CONFIDENCE IN THE INDIAN MARKET, WE MAINTAIN A STRONG BELIEF IN THE POTENTIAL OF OUR TIME-TESTED BRANDS AND OUR EXECUTION CAPABILITIES. WE ARE FULLY DEDICATED TO EXPANDING OUR MARKET PRESENCE AND MAKING STRATEGIC INVESTMENTS IN OUR BRANDS TO HARNESS EMERGING OPPORTUNITIES.

In addition to our strong confidence in the Indian market, we hold a unwavering belief in the potential of our time-tested brands. We are fully dedicated to expanding our market presence and making strategic investments in our brands to harness emerging opportunities. We will continue to focus on improving our processes, ensuring exceptional product quality and enhancing our execution capabilities, all the while maintaining financial discipline, to better serve our customers and realize our growth objectives. Moreover, we are committed to nurturing and investing in our employees as they are the driving force behind our success. Our ongoing emphasis on recruiting and engaging with a diverse workforce also plays a significant role in advancing our Company's diversity and inclusion strategy.

In conclusion, I would like to express my heartfelt appreciation to the entire DIL team for their outstanding contributions throughout the year. I would also like to extend my sincere gratitude to our esteemed Board Members for their invaluable guidance and insights, as well as our shareholders and all other stakeholders for their steadfast support. I look forward to our continued success in achieving our goal of delivering sustainable growth.

Warm regards,

RAVI JAIPURIA
Chairman

Our Core Brands' India Story

By fiercely growing its store presence and fostering a strong brand connect, our KFC business has built a solid core. Continuing on the path of expansion and exceeding consumer expectations along the way, we are ready to deliver more 'finger lickin good' food.

Business Performance

Revenue from Operations for FY2023 stood at ₹ 17,714 million as against ₹ 12,189 million in the previous year, a growth of 45%.

REVENUE FROM OPERATIONS

	(₹ million)	No. of stores
FY 2022	12,189	364
FY 2023	**17,714**	490

Average Daily Sales (ADS) for FY2023 stood at ₹ 117,000 per store versus ₹ 113,000 in the previous year, representing 16% Same Store Sales Growth (SSSG) year-on-year.

AVERAGE DAILY SALES PER STORE

	('000)	SSSG (%)
FY 2022	113	49.4%
FY 2023	**117**	16.0%

Gross Profit for the year stood at ₹ 12,095 million as against ₹ 8,444 million in the previous year. Gross margins stood at 68.3%, lower by 100 basis points compared to the previous year due to sustained inflation in raw material prices.

GROSS PROFITS

	(₹ million)	Margin (%)
FY 2022	8,444	69.3%
FY 2023	**12,095**	68.3%

The slight decline in FY2023 gross margins had an impact on brand contribution margins, which stood at 20.2%, slightly lower year-on-year.

BRAND CONTRIBUTION

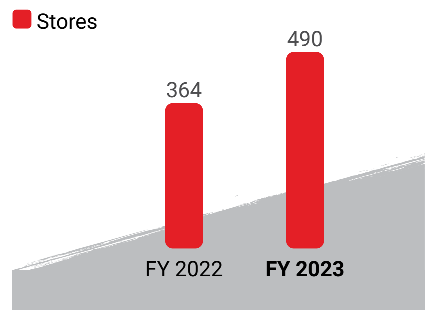
	(₹ million)	Margin (%)
FY 2022	2,602	21.3%
FY 2023	**3,584**	20.2%

Building on our Core

Expanding our footprint

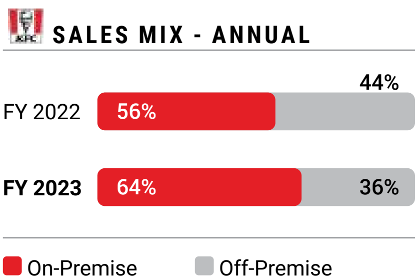
We expanded our network by adding 126 new stores, reaching a total of 490 stores by year-end. It reinforced brand accessibility in existing markets while bringing us closer to aspiring consumers in small towns and emerging cities. These upcoming towns hold immense potential for India's consumer spending, making our stores in these markets key drivers of future growth. Moreover, the rollout of new stores in our existing markets has increased brand density and improved delivery speed, enhancing the overall consumer experience.

INDIA BUSINESS



Given the consumption habits of Indian consumers, the chicken category in the market remains under-penetrated. We remain focused on capitalizing on this opportunity through rapid growth of our KFC store network. We are strategically establishing stores in the South and North East regions of India, which have a substantial non-vegetarian population.

Executing our omni-channel strategy



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

With COVID-19 anxieties behind us and normalcy returning, consumers are returning to our KFC stores. During the year, the share of our on-premise[1] consumption sales increased to 64% from 56% in the previous year. Additionally, a significant section of consumers have now embraced food delivery as they find it more convenient. To cater to the diverse preferences of our consumers, we continue to execute our omni-channel store strategy. Through this, our focus is on providing our consumers with the flexibility of both dine-in and delivery formats.

Launching KFC Flagship Stores

One of the most significant achievements of the year was the introduction of KFC flagship stores. An amalgamation of cutting-edge technology, spacious interiors, and a diverse menu, our flagship stores promise an exceptional experience for our valued consumers. Strategically located at prime destinations, these flagship stores also showcase a perfect blend of enhanced design elements and local influences, amplifying the KFC brand's allure in the dine-in landscape. The initial response to our flagship stores has been overwhelmingly positive, affirming their success in captivating consumer interest and satisfaction. It is noteworthy that our KFC business garnered numerous accolades for its exceptional strides in design comprehension, build quality and overall performance, reinforcing our market leadership. As we forge ahead, our goal is to have 10% of all new KFC store openings as flagship stores, further elevating our brand connect and consumer experience.

Driving product innovation

Our partnership with Yum Brands has played a pivotal role in driving growth through innovative product development and meticulous execution. Among our recent successes is the introduction of Popcorn Nachos, a delightful fusion of tender chicken popcorn and crunchy nachos, adding excitement to our menu. We also catered to value-conscious consumers by offering the value layer with KFC Lunch, providing the signature KFC taste at an affordable price. Furthermore, our menu now includes the delectable KFC Peri Peri, a premium offering for spice enthusiasts, while Chizza was reinstated to a warm reception from our consumers.

Enhancing brand connect

Our creative marketing and branding initiatives, launched in collaboration with Yum Brands, enable our consumers, especially Gen Z, to experience KFC as a brand. During the cricket season, we launched the innovative Howzzat campaign, a voice-enabled mega offer on the KFC app, where fans could yell 'Howzzat' to support their favorite teams and enjoy exclusive discounts. Additionally, to celebrate India's Independence Day, we introduced the limited-edition KFC Special 15 Ultimate Savings Bucket, showcasing the talent of budding Indian artists. We also had the honor of hosting Commonwealth Games gold medalist weightlifter Achinta Sheuli at KFC.


KFC
KFC

Our Core Brands' India Story

Our Pizza Hut business has been successfully revamped by transitioning towards dine-in format stores. This strategic shift has enhanced consumer-centricity and efficiency. With a stronger core, the business is poised to accelerate its momentum.

Business Performance

Revenue from operations for FY2023 stood at ₹ 6,997 million as against ₹ 5,318 million in the previous year, a growth of 32%.

REVENUE FROM OPERATIONS

	(₹ million)	No. of stores
FY 2022	5,318	413
FY 2023	**6,997**	506

Average Daily Sales (ADS) for FY2023 stood at ₹ 42,000 per store, representing 4.4% SSSG for the year.

AVERAGE DAILY SALES PER STORE

	('000)	SSSG (%)
FY 2022	43	45.4%
FY 2023	**42**	4.4%

Gross Profit for FY2023 was ₹ 5,203 million, an increase from ₹ 4,021 million in the previous year. However, due to higher cheese prices and product mix changes, gross margins slightly declined to 74.4% in FY2023 compared to 75.6% in the previous year.

GROSS PROFITS

	(₹ million)	Margin (%)
FY 2022	4,021	75.6%
FY 2023	**5,203**	74.4%

The brand contribution margin experienced a slight decrease to 14.5% in FY2023 compared to 16.3% last year. This decline in brand contribution margin is attributable to the continued rise in raw material prices during the year.

BRAND CONTRIBUTION

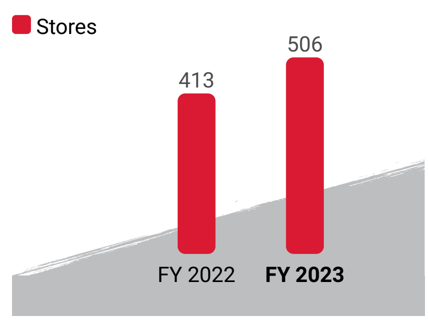
	(₹ million)	Margin (%)
FY 2022	865	16.3%
FY 2023	**1,012**	14.5%

Building on our Core

Expanding our footprint

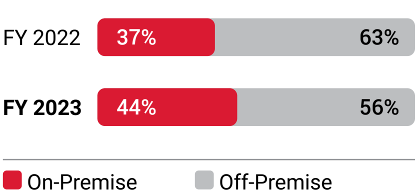
Our Pizza Hut India business maintained a strong expansion pace by adding 93 net new stores this year, surpassing the 500-store milestone and reaching a total of 506 stores. This expansion has not only increased our market reach but also strengthened our brand presence in existing markets and emerging urban hubs. We view these investments in upcoming cities as catalysts for future growth, given the rising consumer spending in these regions and the projected fast-paced growth of India's economy. Furthermore, the expansion of stores has enhanced brand density, resulting in improved delivery times for online orders.

INDIA BUSINESS



Restructuring our business model

SALES MIX - ANNUAL



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

Our Pizza Hut India business has successfully pivoted its focus towards a delivery centric model with strategically located dine-in and flagship stores. The accelerated rollout of delivery stores has significantly improved our delivery times, enhancing the overall consumer experience. The transition from large dining-focused stores to smaller, delivery-focused ones has also positively impacted unit-level metrics and is enabling us to expand our presence faster across the country.

In FY2023, off-premise sales[3] accounted for 56% of the total sales mix as compared with 63% in the previous year. While the share of on premise sales in the total sales mix increased from last year with pandemic fears subsiding, we believe that there is now a strong preference for online ordering as part of consumers' eating-out lifestyle. Aligned with this trend, we will continue to prioritize the establishment of smaller store formats with a strong focus on delivery services.

Integration with ONDC platform

The food services market is experiencing rapid evolution driven by emerging technologies and platforms such as Open Network for Digital Commerce (ONDC). Although it is still in its early stages, we recognize the potential of these advancements to benefit all industry stakeholders. As a proactive step, we have successfully onboarded Pizza Hut onto the ONDC platform, ensuring that we are accessible to our consumers wherever they choose to engage with us.

Driving product innovation

Pizza Hut India, a division of Yum Brands, introduced exciting new innovations during the year. The biggest highlight was the launch of the Flavour Fun Pizza range. This initiative – a 'Value Layer' - aims to make the Pizza Hut brand more accessible and appealing to price-conscious consumers, particularly Gen Z, including college students and early career professionals. The Flavour Fun Pizzas have received positive feedback, successfully attracting a new segment of consumers who were previously untapped by the brand. At DIL, we remain excited about these launches and believe that this will help us to expand our consumer base and drive more business volumes.

Enhancing brand salience

Aligned with its objective of becoming a Younger and Everyday brand, Pizza Hut India launched a comprehensive 360-degree campaign nationwide to promote the Flavour Fun Pizza range. The brand also amplified its reach and impact by collaborating with diverse influencers. Initiatives like the introduction of Gift Cards, Spotify advertisements and festive special menus further strengthened consumer relationships. By actively participating in local festivals and implementing brand engagement strategies across various platforms, the brand is successfully capturing the essence of different markets and deepening its connect with young consumers.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Our Core Brands' India Story

Achieving a remarkable milestone of crossing ₹ 1,000 million in revenue and opening its 100th store, our Costa Coffee business has delivered a year of strong performance. Empowered by this success, we are now ready to elevate our brand presence and expand its accessibility.

Business Performance

Revenue from operations for FY2023 stood at ₹ 1,018 million as against ₹ 411 million in the previous year, a growth of 148%.

REVENUE FROM OPERATIONS

	(₹ million)	No. of stores
FY 2022	411	55
FY 2023	**1,018**	112

Average Daily Sales (ADS) for FY2023 stood at ₹ 35,000 per store as compared to ₹ 29,000 in the previous year, representing 56.3% SSSG year-on-year.

AVERAGE DAILY SALES PER STORE

	('000)	SSSG (%)
FY 2022	29	95.2%
FY 2023	**35**	56.3%

Gross Profit for FY2023 stood at ₹ 804 million as against ₹ 330 million in the previous year. The gross margin was slightly lower at 79% compared to the previous year's figure of 80.4%. This decrease was attributable to the inflation in input prices.

GROSS PROFITS

	(₹ million)	Margin (%)
FY 2022	330	80.4%
FY 2023	**804**	79.0%

Due to investments required in the rapid expansion and sustained input inflation, FY2023 brand contribution margin decreased to 23.6% from 30.4% in the previous year.

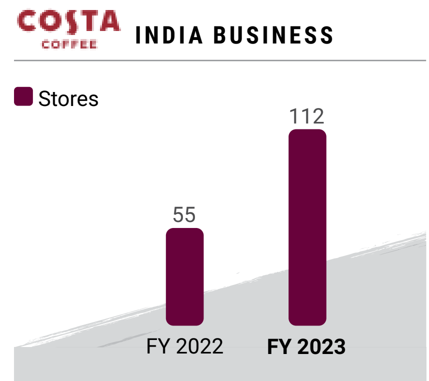
BRAND CONTRIBUTION

	(₹ million)	Margin (%)
FY 2022	125	30.4%
FY 2023	**241**	23.6%

Building on our Core

Expanding our footprint

Our Costa Coffee business achieved rapid expansion, opening 57 new stores this year. With a total of 112 stores, we have surpassed the 100-store milestone. Currently, our focus is on metro and tier 1 cities, where the coffee culture is thriving.



Setting up flagship and compact stores

For Costa Coffee, our focus continues to be on establishing a mix of flagship stores and compact stores. The flagship stores, situated in prime locations, showcase the Costa Coffee brand and enhances its visibility. On the other hand, our compact smaller stores provide convenience and accessibility, enabling a wider range of consumers to indulge in the Costa Coffee experience. In FY2023, we successfully launched 4 flagship stores.

Driving product innovation

Our Costa Coffee stores are renowned for serving a great cup of coffee and a delectable range of food options, including sandwiches, wraps and desserts, all conveniently available under one roof. To cater to the ever-evolving palates of Indian consumers, Costa Coffee has continuously innovated its offerings, ensuring a delightful experience. In the past year, the brand introduced several exciting additions to its menu, such as refreshing frappes infused with delightful flavors to quench our consumers' summer cravings. The festive season saw the launch of new drinks that enhanced the Diwali celebrations by combining the richness of chocolate with a zesty twist of orange. The selection of confectionaries was expanded, introducing irresistible treats like red velvet cake, plum cakes, and chocolate croissants. Moreover, in select stores, live food preparation was introduced, ensuring fresher and more tempting food options for our consumers.

Increasing brand affinity

Costa Coffee's strategic brand engagement initiatives have played a crucial role in cultivating a deeper brand affinity. By tailoring marketing campaigns to resonate with the young and aspirational population of India, Costa Coffee has effectively enhanced consumer engagement on diverse social media platforms. This has translated into a higher frequency of visits and increased consumer base, strengthening Costa Coffee's position as a prominent player in the coffee market.

Our Core Brands' India Story

Presence

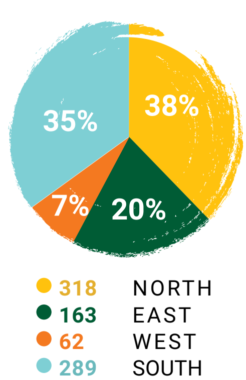
Our core brands have established a strong and expansive footprint across India, with a focus on consolidating our presence in existing cities and venturing into upcoming non-metro markets. Store expansion remains a pivotal aspect of our business strategy.

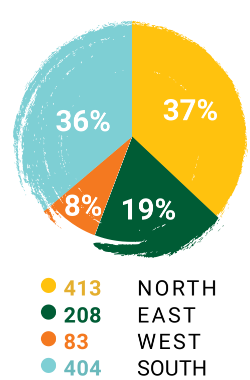
Core Brand Stores	March 31, 2022	March 31, 2023
NCR	153	202
BENGALURU	106	132
KOLKATA	52	61
HYDERABAD	60	79
OTHER METRO CITIES	36	51
TOTAL METROS*	407	525
TOTAL NON-METROS	425	583

Core Brand Stores	March 31, 2022	March 31, 2023
% IN METRO	49%	47%
% IN NON-METROS	51%	53%

Core Brand Stores	March 31, 2022	March 31, 2023
TOTAL CITIES	204	242
TOTAL STORE COUNT	832	1,108

Regional Split





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

Other Businesses

Vaango and The Food Street, our in-house brands, have been successfully incubated. With a deep understanding of what works for these brands, we are ready to steadily grow them and make them a sizeable category in the foreseeable future.

Vaango caters to South Indian vegetarian food enthusiasts, while The Food Street operates as a multi-brand food court concept. Typically, Vaango and The Food Street outlets are located within larger food courts in malls and airports.

With the growing recognition of our in-house brands, their commitment to quality and strategic presence in attractive and bustling locations have paved the way for their steady growth. Notably, Vaango achieved a significant milestone by reaching 50 stores during the year. Overall, 16 stores were added for our other brands' business, taking their total store presence to 76 as of March 31, 2023.

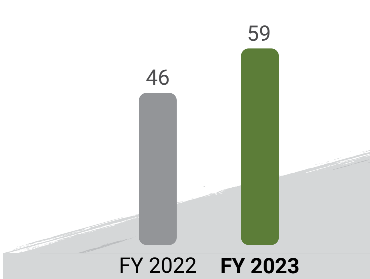
Vaango has demonstrated strong performance in locations with high footfall, and through our experience over the past few years, we have gained valuable insights into what drives success for the brand. Leveraging this knowledge, we are strategically increasing the pace of opening new Vaango stores in territories and locations where it has already proven to be successful. This focused expansion strategy will allow us to capitalize on Vaango's strengths and drive accelerated growth in this segment.

International Business

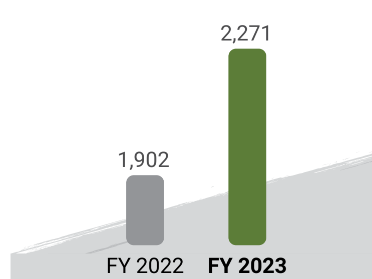
In Nepal, we successfully operate a network of KFC and Pizza Hut stores, while in Nigeria, we focus on operating KFC stores. These businesses have demonstrated strong profitability and cash generation, allowing us to reinvest in the expansion of our store presence in these respective markets.

Our international business operates efficiently, generating significant cash flow that is strategically reinvested into expanding our store presence in respective markets. In FY2023, we added 13 stores for our international business. The profits we generate locally are also diligently reinvested, boosting brand contributions and ensuring positive EBITDA performance. This approach sustains the momentum of our capital expenditure initiatives, creating a self-sufficient business model. Our ultimate objective is to drive continuous growth by leveraging profits, and gradually building a thriving business over time.

STORES (Nos.)



REVENUE FROM OPERATIONS (₹ million)



Performance Highlights

Net New Units

(Nos.)

FY 2019	67
FY 2020	44
FY 2021	82
FY 2022	246
FY 2023	**305**

4-year CAGR **22%** YoY **24%**

EBITDA (Post IndAS)

(₹ million)

FY 2019	2,790
FY 2020	2,555
FY 2021	2,346
FY 2022	4,761
FY 2023	**6,551**

4-year CAGR **24%** YoY **38%**

Revenue from Operations

(₹ million)

FY 2019	13,106
FY 2020	15,164
FY 2021	11,348
FY 2022	20,840
FY 2023	**29,977**

4-year CAGR **23%** YoY **44%**

Profit After Tax

(₹ million)

FY 2019	-593
FY 2020	-1,214
FY 2021	-813
FY 2022	1,551
FY 2023	**2,625**

YoY **69%**

Gross Profit

(₹ million)

FY 2019	9,217
FY 2020	10,560
FY 2021	7,902
FY 2022	14,842
FY 2023	**20,992**

4-year CAGR **23%** YoY **41%**

Diluted EPS

(₹)

FY 2019	-0.67
FY 2020	-0.74
FY 2021	-0.67
FY 2022	1.32
FY 2023	**2.19**

YoY **66%**


ESG

Social Responsibility

DIL is committed to being a socially responsible business by enforcing inclusion and diversity at the workplace and beyond.

To build a more inclusive society, we are actively recruiting women and specially-abled employees for running our stores. During the year, our Pizza Hut business opened the brand's first store entirely run by specially-abled employees in Kolkata. We now operate 47 stores entirely run by either all-women or specially-abled employees. We are also working on increasing the number of women leaders across our businesses.

In celebration of opening our 1000th store, a Pizza Hut outlet in the bustling area of Sion, Mumbai, we organized a special event. We warmly welcomed and hosted around 25 children with special abilities from a local Mumbai-based NGO at this momentous Pizza Hut location. It was a wonderful opportunity to share our joy and foster a sense of inclusivity, creating memorable moments for all involved.

KFC India spread joy by sharing meals with underprivileged children across the country. Through the impactful 'Feed the Children' initiative, the aim was to bring smiles over a meal, create moments of happiness and foster a sense of togetherness in communities.

We celebrated the (International Day for Persons with Disabilities) at our stores.

Awards and Recognition

Awards for DIL

DIL was awarded the 'Explosive Restaurant Growth Award' by Yum Global at the International Franchise Conference 2022 held in Singapore.

DIL was recognized as the 'Most Accessible Fastest Growing Brand' at Yum EFTS Conference Asia in August 2022.

People Recognition

Our CEO, Virag Joshi, was recognized among the 'Top 100 Most Daring Leaders in Retail' for 2022 by Franchise India, one of the most coveted magazines of the retail industry.

Rahul Shinde, CEO of Yum Brands, was commended for his role as a mentor and speaker at IIM Lucknow's annual management festival, MANFEST Varchasva. His exceptional vision and extensive knowledge of the QSR industry were highly appreciated by the students and faculty of IIML.

Rajat Luthra, CEO KFC India and Nepal was recognized as 'ET Retail Leader of the Year' by ET Retail for his exceptional achievements in 2022.

Our CHRO, Aarti Marwaha Upadhyay was recognized with the prestigious Award of being among the TOP 20 Most Impactful CHROs for 2022.

The Design and Development team of our KFC business was recognized for fabulous store builds and design at KFC India's Development Day.

Costa Coffee Team member Ameer Fayis won the 'Barista of the Year' award in 2022, which was given by Costa Coffee Global

Sustainability

Our commitment to environmental sustainability drives us to explore eco-friendly options for a greener planet.

To reduce our carbon footprint, we have implemented energy efficient solutions across our KFC & Pizza Hut stores.

In our quest to minimize plastic usage, we have consciously transitioned from plastic to paper materials for our KFC stores' front-end operations. Furthermore, we are actively installing solar panels in our food courts and KFC stores, harnessing renewable energy for a brighter, greener and more sustainable future.

The Youth Connect

In an innovative and forward-thinking initiative, we engaged and collaborated with the youth to gain invaluable insights into their perceptions of our brands.

Embracing a new approach last year, we sought to deepen our understanding of how our brands resonate with today's young audience. Partnering with esteemed institutions such as IIM Lucknow for case study competitions, we fostered a dynamic exchange of ideas and brought back valuable insights.

Additionally, we directly interacted with students at prestigious management institutes and actively participated in renowned college festivals. The unbiased viewpoint of the young generation has provided us with a fresh perspective on effective brand communication strategies tailored to this consumer segment.

These interactions with the youth, coupled with our collaborations with top management institutes, have resulted in innovative projects and the infusion of fresh ideas into our organization. We remain enthusiastic about fostering a direct connection with our target audience on their campuses. Additionally, we are constantly recruiting young talent from leading colleges across the country.

Board of Directors

RAVI JAIPURIA

Promoter & Non-Executive Chairman

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

VARUN JAIPURIA

Promoter & Non-Executive Director

He is the Promoter and Non-Executive Director of the Company. He attended Millfield School, Somerset, England and degree course in international business from the Regent's University, London. He has 14 years of experience in the soft drinks industry. He is a Harvard Alumni and had attended Program for Leadership Development (PLD), 2018-2019 batch from Harvard Business School, Boston.

RAJ GANDHI

Non-Executive Director

He is a qualified Chartered Accountant of 1980 batch. He also did management program with Harvard Business School. Out of his total 42 years of experience, 30 years of experience is with the RJ Corp Group. He is instrumental in formulating company's strategy towards diversification, expansion, mergers and acquisitions, capex planning including capital/fund raising. He enjoys longstanding relationship with institutional investors and lenders.

VIRAG JOSHI

Whole-time Director (President & CEO)

He is the President & Chief Executive Officer of the Company and a name to reckon with in the QSR industry. He has been the key strategist in expansion of Yum Brands in India for over two decades at Devyani International. Under his able leadership, brands have grown multi-fold to become household names in India. He is a passionate and people's leader with proven credentials of building motivated teams, driving processes & leading customer-focused organizations. He brings with him unparalleled experience of over three decades in the hospitality industry. He has been instrumental in spearheading various hospitality brands to profitability and creating new benchmarks in the QSR industry.

MANISH DAWAR

Whole-time Director & CFO

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

RAHUL SURESH SHINDE

Whole-time Director

He holds Masters and Ph.D in Industrial Engineering from University of Wisconsin-Madison. He has nearly 21 years of global experience and a solid track record of delivering results. In his most recent assignment, he was responsible for stewarding the KFC brand in some of Asia's largest markets. In his previous assignments, he was instrumental in building long-term strategy and driving change at multi-billion dollar organizations like Taco-Bell and JCP. He was also associated with McKinsey for close to 5 years. He has also been placed on the Economic Times India's 40 under 40 list in 2016 and an Early Career Achievement award in 2018 by the University of Wisconsin-Madison.

DR. RAVI GUPTA

Independent Director

He holds a bachelor's degree and a Master's degree in commerce from the University of Delhi. He also holds a Bachelor's degree in law from the University of Delhi, a diploma in labor law from the Indian Law Institute, a Master's degree in business administration from the Faculty of Management Studies, University of Delhi and a doctorate in philosophy for his thesis on 'Country Risk Analysis in Investment Financing Decision Making' from the University of Delhi. He was employed as an Associate Professor in the commerce department of Shri Ram College of Commerce, University of Delhi. He was appointed by the Government of India as a member of the committee constituted for simplification of Income Tax Act.

RASHMI DHARIWAL

Independent Director

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

PRADEEP SARDANA

Independent Director

He holds a bachelor's degree in mechanical engineering from the Indian Institute of Technology, Delhi. He has 52 years of experience (41 years in service and 11 years in consultancy). He is presently the CEO of PM Consulting, a consultancy firm in the field of food, beverages, FMCG and other industries. Previously worked at senior management level with renowned companies including Polyplex Hydro Group, PepsiCo, Hindustan Lever Limited and Union Carbide and has successfully handled diverse assignments.

DR. NARESH TREHAN

Independent Director

He holds a bachelor's degree in Medicine and Surgery from the University of Lucknow and has been certified as a renowned Cardiothoracic Surgeon by the American Board of Thoracic Surgery. He has trained and practised at New York University Medical Center at Manhattan USA from July 1, 1971 to June 30, 1975 and is an honorary fellow at the Royal Australasian College of Surgeons. He has received many prestigious awards, including the Padma Bhushan Award, presented by the Government of India.

DR. GIRISH KUMAR AHUJA

Independent Director

He holds a Ph.D. from the University of Delhi for his thesis on Financial Sector Reforms: Capital Market Efficiency and Portfolio Investment completed in 2006. He is a qualified and practicing chartered accountant for the past 51 years and a member of the Institute of Chartered Accountants of India. He was a professor at the Shri Ram College of Commerce, University of Delhi. He was a member of the task force constituted by the Government of India for redrafting the Income Tax Act. He is appointed on the Board of Unitech by Hon'ble Supreme Court of India on recommendation of the Ministry of Corporate Affairs, Government of India. He was Independent Director on the Board of State Bank of India for two terms.

PRASHANT PURKER

Independent Director

He is former MD & CEO of ICICI Venture. He has over 31 years of varied experience in Private Equity, Capital Markets, Technology and Banking. He has guided and mentored as a Director more than 25 Indian and overseas companies both as listed public companies as well as private and unlisted. He is a graduate of IIT Kanpur and a rank holder from IIM Ahmedabad.

Corporate Information

Board of Directors

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

Chief Executive Officer
Mr. Virag Joshi

Chief Financial Officer
Mr. Manish Dawar

Company Secretary & Compliance Officer
Mr. Varun Kumar Prabhakar

Joint Statutory Auditors
Walker Chandiok & Co LLP
Chartered Accountants,
New Delhi

O P Bagla & Co LLP
Chartered Accountants,
New Delhi

Registered Office
F-2/7, Okhla Industrial Area,
Phase-I, New Delhi-110020

Corporate Office
Plot No. 18, Sector-35,
Gurugram-122004, Haryana

Registrar and Share Transfer Agent
KFin Technologies Limited
Selenium Tower B, Plot Nos. 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally Mandal, Hyderabad-500 032
Toll Free No. : 1800 309 4001
Email: **einward.ris@kfintech.com**
Website: **www.kfintech.com**
SEBI Registration No.: INR000000221

Bankers
Axis Bank Limited
HDFC Bank Limited
IndusInd Bank Limited
ICICI Bank Limited

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 32nd (Thirty Second) Board's Report on the business and operations of your Company along with the Audited Financial Statements for the Financial Year ended March 31, 2023.

FINANCIAL PERFORMANCE

The financial performance of your Company for the Financial Year ended March 31, 2023 is summarized below:

(₹ in Million)

Particulars	Standalone		Consolidated	
	Year Ended 31-Mar-23	Year Ended 31-Mar-22	Year Ended 31-Mar-23	Year Ended 31-Mar-22
Sales & other Income	27,008.07	18,696.09	30,303.08	21,001.31
Profit before Interest, Depreciation, Impairment & Tax	5,436.62	3,941.47	6,550.78	4,759.79
Less: Finance Cost	1,237.64	1,058.67	1,474.73	1,269.94
Less: Other Income	324.63	163.37	325.85	161.21
Less: Depreciation & Impairment	2,383.29	1,909.96	2,782.19	2,248.61
Profit/ (Loss) before exceptional items and tax	**2,140.32**	**1,136.21**	**2,619.71**	**1,402.45**
Less: Exceptional item (expense)/income	-	13.16	200.46	171.04
Profit/ (Loss) before tax	**2,140.32**	**1,123.05**	**2,419.25**	**1,231.41**
Less: Tax expenses	(320.40)	(410.78)	(205.89)	(319.74)
Profit/ (Loss) for the year	**2,460.72**	**1,533.83**	**2,625.14**	**1,551.15**
Other comprehensive income	(0.61)	1.66	70.45	141.41
Total comprehensive income for the year	**2,460.11**	**1,535.49**	**2,695.59**	**1,692.56**
Total comprehensive income for the year, attributable to:				
Owners of the Company	2,460.11	1,535.49	2,709.74	1,666.68
Non-controlling interests	-	-	(14.15)	25.88

Note: The previous year figures have been regrouped/ reclassified wherever necessary.

STATE OF THE COMPANY'S AFFAIRS

The Company has demonstrated strong growth momentum and crossed some very significant milestones. Consolidated revenues have reached ~ ₹ 30,000 Million. We now operate 1,243 stores across our portfolio of brands and countries, more than doubling over the last three years. Both KFC and Pizza Hut crossed important store milestones of 500 stores each & Costa Coffee has crossed 100 stores as of March 31, 2023.

The Company continues to actively pursue new trade areas in both the metro cities and upcoming locations. This will help us take our brands closer to the customers and give them a better experience, thus solidifying the presence in the domestic markets. In line with this strategy, we have continued to expand to newer cities and we are present in over 240 cities in India now. Reflecting our expanding presence deeper in the Country, our share of Core Brands stores in Non-Metro cities has now expanded to ~ 53%, a marked increase from ~ 48% just two years ago.

Product innovation is another pillar of our growth strategy. In partnership with Yum!, we launched quite a few innovative products in our KFC & Pizza Hut brands. The premium range which included limited-time offerings of "Chizza" and the peri-peri flavored chicken products have been very well received. Pizza Hut has recently launched a revamped menu with 10 new pizzas, which are getting a lot of love from our customers.

We have also been working on making our offerings available at more accessible price points. The launch of "Flavor Fun" range in Pizza Hut helps us reach out to a much larger audience. Similarly, we launched the lunch menu at KFC which allows us to tap into an important day part and build salience for brand KFC.

Despite high inflation across industries and categories leading to a short-term impact on consumer sentiment and demand in the second half of the current financial year, we remain confident in our brands and in the long-term potential of the Indian market. By maintaining financial discipline and operational excellence, the Company is well-positioned to emerge stronger and capture growth opportunities in the future. The Company remain firmly committed to the objective of creating sustainable long-term value for all our stakeholders.

DEPOSITS

Your Company has not accepted any deposits from the public during the year under review, falling within the ambit of Section 73 of the Companies Act, 2013 ("**Act**") and the Companies (Acceptance of Deposits) Rules, 2014.

TRANSFER TO RESERVES

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

CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

DIVIDEND AND DIVIDEND DISTRIBUTION POLICY

Your Directors have not recommended any dividend on equity shares for the year under review in order to conserve the resources for the future growth of the Company. The Company has in place a Dividend Distribution Policy in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") and the same is available on the website of the Company i.e. **https://www.dil-rjcorp.com/wp-content/uploads/2021/08/Dividend-Distribution-Policy.pdf.**

SHARE CAPITAL

During the year under review, the issued, subscribed and paid-up equity share capital of the Company has increased from ₹ 120.47 crore comprising 1,20,47,36,378 equity shares of face value of ₹ 1/- each to ₹ 120.50 crore comprising 1,20,49,61,378 equity shares of face value of ₹ 1/- each pursuant to allotment of 2,25,000 equity shares under the Employees Stock Option Scheme 2018 ('ESOP Scheme 2018').

Subsequent to the end of the Financial Year 2022-23, the Company has allotted 4,87,500 equity shares on April 7, 2023 under the ESOP Scheme 2018 & the Employees Stock Option Scheme 2021 ('ESOP Scheme 2021'), pursuant to which the issued, subscribed and paid-up equity share capital of the Company has increased to ₹ 120.54 crore comprising 1,20,54,48,878 equity shares of face value of ₹ 1/- each.

EMPLOYEES STOCK OPTION SCHEMES

The Company has three Employees Stock Option Schemes viz. Employees Stock Option Scheme 2011 ('ESOP Scheme 2011'), ESOP Scheme 2018 and ESOP Scheme 2021. Further, to align the ESOP Scheme 2021 with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI ESOP Regulations**"), the Members of the Company at their 31st Annual General Meeting ("**AGM**") held on June 28, 2022 approved the amendments to the ESOP Scheme 2021.

A certificate from Secretarial Auditor i.e. M/s. Sanjay Grover & Associates, Company Secretaries has been received confirming that ESOP Scheme 2011, ESOP Scheme 2018 and ESOP Scheme 2021, have been implemented in compliance with the SEBI ESOP Regulations. A copy of the certificate has been uploaded on the website of the Company i.e. **https://dil-rjcorp.com/**.

The Statutory disclosures as mandated pursuant to Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of the SEBI ESOP Regulations, are available on the website of the Company i.e. **https://dil-rjcorp.com/**.

HOLDING COMPANY

RJ Corp Limited continued to be the holding company and held 59.32% of the paid-up equity share capital of the Company as of March 31, 2023. The Promoter/ Promoter Group, including RJ Corp Limited, held 62.79% of the paid-up equity share capital of the Company as of March 31, 2023.

SUBSIDIARIES, ASSOCIATES, JOINT VENTURES AND CONSOLIDATED FINANCIAL STATEMENTS

As on March 31, 2023, your Company had five subsidiaries i.e. Devyani Food Street Private Limited, Devyani Airport Services (Mumbai) Private Limited, Devyani International (Nepal) Private Limited, wholly-owned subsidiaries, RV Enterprizes Pte. Ltd., subsidiary and Devyani International (Nigeria) Limited, a step-down subsidiary. During the year under review, there was no change in the subsidiary companies. During the year under review, your Company did not have any Associate/ Joint Venture as defined under the provisions of the Act.

In compliance with the provisions of Section 129 of the Act and the SEBI Listing Regulations, the Consolidated Financial Statements of the Company were prepared in accordance with the applicable Indian Accounting Standards ("Ind AS") and form part of the Annual Report. A statement containing the salient features of the financial statements of the Subsidiaries/ Joint Ventures/ Associates of the Company (including their performance and financial position) in Form AOC-1, as required under the Companies (Accounts) Rules, 2014, as amended, also forms part of the Notes to the Consolidated Financial Statements. The highlights of the performance of Subsidiaries/ Joint Ventures/ Associates and their contribution to the overall performance of the Company are included as part of this Annual Report.

Pursuant to the provisions of Section 136 of the Act, Audited Financial Statements of the Company, including Consolidated Financial Statements, other documents required to be attached thereto and Audited Financial Statements of each of the subsidiaries, are available on the website of the Company and may be accessed at **https://dil-rjcorp.com/dil/financial-information/**. Audited Financial Statements of the aforesaid subsidiary companies are also kept open for inspection by the Members at the Registered Office of the Company on all working days up to the date of AGM i.e. July 3, 2023 between 11:00 A.M. to 2:00 P.M. as required under Section 136 of the Act. Any Member desirous of obtaining a copy of the said Financial Statements may write to the Company at its Registered Office or Corporate Office.

In terms of the provisions of the SEBI Listing Regulations, your Company has a 'Policy for Determination of Material Subsidiary and Governance of Subsidiaries' and the same is available on website of the Company i.e. **https://www.dil-rjcorp.com/wp-content/uploads/2021/06/Policy-on-Material-Subsidiary.pdf.**

SCHEME OF AMALGAMATION

Pursuant to Sections 230-232 and other relevant provisions of the Act read with the Rules made thereunder, a Scheme of Amalgamation of Devyani Airport Services (Mumbai) Private Limited and Devyani Food Street Private Limited, wholly-owned subsidiaries (Transferor Companies) with the Company (Transferee Company) was filed before the Hon'ble NCLT, New Delhi on September 17, 2022. The First Motion Application was disposed of by the Hon'ble NCLT, New Delhi vide its order dated November 11, 2022. Subsequently, Second Motion Petition was filed before the Hon'ble NCLT, New Delhi on January 7, 2023. The Scheme is pending before the Hon'ble NCLT, New Delhi for its approval.

RELATED PARTY TRANSACTIONS

Your Company has in place a Policy on Related Party Transactions in accordance with the Act and the SEBI Listing Regulations to regulate related party transactions. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all related party transactions. The policy is available on the website of the Company i.e. **https://www.dil-rjcorp.com/wp-content/uploads/2021/06/Policy-on-Related-Party-Transactions.pdf**.

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

There were no material related party transactions entered by the Company during the Financial Year 2022-23, hence no detail is required to be provided in Form AOC-2 in terms of Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES, SECURITIES AND INVESTMENTS

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

DIRECTORS

Considering knowledge, acumen, expertise, experience (including the proficiency), skills and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on May 2, 2022 appointed Mr. Prashant Purker (DIN: 00082481) as an Additional Director (in the category of "Non-Executive Independent Director") for a term of up to 5 (five) consecutive years w.e.f. May 2, 2022. Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors in the said meeting also appointed Mr. Rahul Suresh Shinde (DIN: 07166035) as an Additional Director and Whole-time Director of the Company for a term of up to 5 (five) years w.e.f. May 2, 2022. Further, the appointments of Mr. Prashant Purker as an Independent Director and Mr. Rahul Suresh Shinde as a Whole-time Director were also approved by the Shareholders of the Company at their 31st Annual General Meeting held on June 28, 2022.

Further, the Board of Directors, on the recommendation of Nomination and Remuneration Committee, at its meeting held on November 3, 2022, re-appointed Mr. Virag Joshi (DIN: 01821240), as a Whole-time Director, designated as 'President & Chief Executive Officer' of the Company, for a period of up to 3 (Three) years w.e.f. January 1, 2023 and his re-appointment was duly approved by the Shareholders of the Company at their Extra-ordinary General Meeting held on December 16, 2022.

Basis the recommendations of Nomination and Remuneration Committee and considering knowledge, acumen, expertise, experience (including the proficiency), skills, valuable contribution to the deliberations at the meetings of the

Board/ Committees, the Board of Directors at its meeting held on February 9, 2023, accorded its approval for the re-appointments of Dr. Ravi Gupta (DIN: 00023487) and Ms. Rashmi Dhariwal (DIN: 00337814) as Independent Directors of the Company to hold office for a second term of up to 5 (Five) consecutive years w.e.f. April 6, 2023, subject to approval of the shareholders of the Company. Your Company has received requisite notice in writing from the Members of the Company, proposing the candidatures of Dr. Ravi Gupta and Ms. Rashmi Dhariwal as Independent Directors of the Company.

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, at its meeting held on May 17, 2023, re-appointed Mr. Manish Dawar (DIN: 00319476) as a Whole-time Director of the Company, liable to retire by rotation, for a period of up to 3 (Three) years w.e.f. February 17, 2024, subject to approval of the shareholders of the Company.

In compliance with the provisions of Section 152 of the Act and in terms of the Articles of Association of the Company, Mr. Ravi Jaipuria (DIN: 00003668) and Mr. Virag Joshi (DIN: 01821240), Directors, are liable to retire by rotation at the ensuing AGM and being eligible, have offered themselves for re-appointment. The resolution(s) seeking members' approval for their re-appointment form part of the Notice of 32nd AGM. The Board of Directors, on the recommendation of Nomination and Remuneration Committee, recommends their re-appointment.

Brief resume and other details of the Director(s) seeking re-appointment at the ensuing AGM as stipulated under Secretarial Standard-2 issued by the Institute of Company Secretaries of India and Regulation 36 of the SEBI Listing Regulations, are separately disclosed in the Notice of the 32nd AGM.

KEY MANAGERIAL PERSONNEL

The Board of Directors, on the recommendations of Nomination and Remuneration Committee, at its meeting held on May 17, 2023 appointed Mr. Pankaj Virmani (ACS-18823) as Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company w.e.f. May 18, 2023 in accordance with the provisions of Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in place of Mr. Varun Kumar Prabhakar (ACS-30496), who has resigned from the post of Company Secretary and Compliance Officer (Key Managerial Personnel) w.e.f. close of business hours of May 17, 2023. He continues to work with the Company and discharge his responsibilities with respect to the legal function of the Company.

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

CONFIRMATION BY DIRECTORS REGARDING DIRECTORSHIP/ COMMITTEE POSITIONS

Based on the disclosures received, none of the Directors on the Board holds directorships in more than ten public companies and none of the Independent Directors served as an Independent Director in more than seven listed entities as on March 31, 2023. Further, no Whole-time Director served as an Independent Director in any other listed company. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2023 have been made by the Directors and have been reported in the Corporate Governance Report and forms part of the Annual Report.

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors in their disclosures have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the disclosures received from Independent Directors, the Board of Directors confirm that Independent Directors of the Company fulfill conditions specified in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and are independent of the Management.

CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE

A certificate from M/s. Sanjay Grover & Associates, Company Secretaries, that none of the Directors on the Board of the Company had been debarred or disqualified by SEBI, Ministry of Corporate Affairs or any such other Statutory/ Regulatory authority from being appointed or continuing as Directors of companies, forms part of the Annual Report.

BOARD AND COMMITTEE MEETINGS

The number of meetings of the Board and Committees of the Board including composition are set out in the Corporate Governance Report which forms part of this report. The intervening gap between the meetings was within the period prescribed under the provisions of Section 173 of the Act and the SEBI Listing Regulations. The Board of Directors in its meeting held on May 17, 2023 has dissolved IPO Committee as the purpose and objectives of the said committee has been achieved.

BOARD EVALUATION

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

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

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

REMUNERATION POLICY

Your Company has in place Remuneration Policy for Directors, Key Managerial Personnel (KMPs), Senior Management and other Employees of the Company in terms of the provisions of Section 178 of the Act read with Rules made thereunder and Regulation 19 of the SEBI Listing Regulations. The Policy is available on the website of the Company i.e. **https://www.dil-rjcorp.com/wp-content/uploads/2021/08/Remuneration-Policy.pdf**. The Policy includes, *inter-alia*, the criteria for appointment and remuneration of Directors, KMPs, Senior Management and other employees of the Company.

REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES

The information required to be disclosed in the Board's Report pursuant to Section 197 of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached to this report as **Annexure – A**.

STATUTORY AUDITORS AND AUDITORS' REPORTS

During the year under review, O P Bagla & Co LLP, Chartered Accountants (Firm Registration Number 000018N/N500091) were appointed as Joint Statutory Auditors of the Company to hold office for a period of 5 (Five) consecutive years from the conclusion of 31st AGM held on June 28, 2022 till the conclusion of 36th AGM of the Company to be held in the year 2027.

Earlier, Members at their 29th AGM held on September 24, 2020, had appointed Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration Number 001076N/N500013) as Joint Statutory Auditors of the Company to hold office for a period of 5 (Five) consecutive years from the conclusion of 29th AGM till the conclusion of 34th AGM of the Company to be held in the year 2025.

The Auditors' Reports do not contain any qualification, reservation, adverse remarks or disclaimer.

COST AUDIT & COST RECORDS

In terms of Section 148 of the Act and the Companies (Cost Records and Audit) Rules, 2014, Cost Audit & maintenance of Cost Records are not applicable on the Company for the Financial Year 2022-23.

SECRETARIAL AUDITORS

The Board of Directors on the recommendations of the Audit, Risk Management and Ethics Committee has appointed M/s. Sanjay Grover & Associates, Company Secretaries to conduct Secretarial Audit of your Company for the Financial Year 2022-23. The Secretarial Audit Report for the Financial Year ended March 31, 2023 is attached to this report as **Annexure - B**. The Secretarial Audit Report does not contain any qualification, reservation, adverse remarks or disclaimers.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company continues to follow a robust anti-sexual harassment policy on 'Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace' in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH') and Rules made thereunder. Internal Complaints Committee has been set-up to redress complaints received regarding sexual harassment at various workplaces in accordance with POSH. The Internal Complaint Committee constituted in compliance with POSH ensures a free and fair enquiry process with clear timelines for resolution.

All employees, including those of subsidiaries (permanent, contractual, temporary, trainees) are covered under this Policy.

At the end of the year under review, one complaint was received and Internal Complaint Committee is reviewing the same as per the Policy.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

The Vigil Mechanism Policy is available on Company's website at **https://www.dil-rjcorp.com/wp-content/uploads/2022/03/Vigil-Mechanism-Policy-DIL.pdf**.

RISK MANAGEMENT

Pursuant to the provisions of Regulation 21 of the SEBI Listing Regulations, the top 1,000 listed entities, determined on the basis of market capitalization, shall constitute a Risk Management Committee. The Audit, Risk Management and Ethics Committee of the Board of Directors also performs the role of Risk Management Committee and *inter-alia* monitors and reviews the risk management plan and such other functions as assigned from time to time.

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

INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate Internal Financial Controls commensurate with the nature, size and complexities of operations. An extensive risk based programme of internal audit provides assurance on the effectiveness of internal financial controls, which are continuously monitored through management reviews, self-assessment as well as by the Statutory/ Internal Auditors during the course of their audits. The reports on Internal Financial Controls issued by Walker Chandiok & Co LLP, Chartered Accountants and O P Bagla & Co LLP, Chartered Accountants, Joint Statutory Auditors of the Company are annexed to the Auditors' Report on the Financial Statements of the Company and do not contain any reportable weakness of the Company.

CORPORATE SOCIAL RESPONSIBILITY

Your Company has a Corporate Social Responsibility (CSR) Policy which is uploaded on the website of the Company at **https://www.dil-rjcorp.com/wp-content/uploads/2022/12/Corporate-Social-Responsibility-Policy.pdf**. In terms of Section 135 of the Act, a CSR Committee has been constituted. Your Company was not required to contribute any amount towards CSR for the Financial Year 2022-23 in terms of the provisions of Section 135 of the Act.

Annual Report on CSR activities for the Financial Year 2022-23 as required under Section 134 and 135 of the Act read with Rules made thereunder is attached to this report as **Annexure – C**.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Directors confirm that:

(i) in the preparation of the annual accounts for the Financial Year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2023 and of the Profit of the Company for the period;

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

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

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

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

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

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

OTHER INFORMATION

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Management Discussion & Analysis Report for the year under review, as stipulated under Regulation 34 read with Schedule V to the SEBI Listing Regulations, forms part of the Annual Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Business Responsibility and Sustainability Report for the Financial Year 2022-23, as stipulated under Regulation 34 of the SEBI Listing Regulations read with Circulars issued by Securities and Exchange Board of India, forms part of the Annual Report.

CORPORATE GOVERNANCE REPORT

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

LISTING

The Equity Shares of the Company are listed on National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**") having nation-wide trading terminals. Annual listing fee for the Financial Year 2023-24 have been paid to NSE and BSE.

ANNUAL RETURN

The Annual Return of the Company in terms of Section 92(3) and 134(3)(a) of the Act is available on website of the Company at **https://dil-rjcorp.com/corporate-governance/**.

REPORTING OF FRAUD BY STATUTORY AUDITORS

During the year under review, the Statutory Auditors have not reported any instance of fraud in respect of the Company, its officers or employees under Section 143(12) of the Act.

SECRETARIAL STANDARDS

The Secretarial Standards i.e. SS-1 & SS-2 relating to meetings of the Board of Directors and General Meetings, respectively have been duly followed by the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS

During the year under review, no significant and material order was passed by the regulators/ courts/ tribunals which would impact the going concern status of the Company and its future operations.

GENERAL

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

1. Issue of equity shares with differential voting rights as to dividend, voting or otherwise.
2. The Whole-time Directors of the Company did not receive any remuneration or commission from any of Company's subsidiaries.
3. Issue of Sweat Equity Shares.
4. No application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 as at the end of the Financial Year 2022-23.
5. Details of difference between the amount of valuation at the time of one time settlement and valuation done while taking loan from banks or financial institutions are not applicable.

No material changes and commitments have occurred after the closure of the Financial Year 2022-23 till the date of this Report, which would affect the financial position of your Company.

AWARDS & RECOGNITIONS

Your Company and its Executives have received various awards and recognitions, details of the same are given in the Annual Report.

ACKNOWLEDGEMENTS

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

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

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

Ravi Jaipuria
Chairman
DIN: 00003668

Place: Gurugram
Date: May 17, 2023

Annexure - A

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A. Ratio of the remuneration of each Director, drawing remuneration, to the median remuneration of the employees of the Company for the Financial Year 2022-23 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2022-23

S. No.	Name of Director(s)/ KMP(s) and designation	Remuneration of Director(s)/KMP(s) for Financial Year 2022-23 (₹ in Million)	% increase in Remuneration in FY 2023 as compared to FY 2022	Ratio of Remuneration of Director to Median[1] Remuneration of employees
1	Mr. Ravi Jaipuria Non-executive Chairman	23.44*	Not Comparable*	NA
2	Mr. Virag Joshi Whole-time Director & CEO	46.61	52.17	189.82
3	Mr. Manish Dawar Whole-time Director & CFO	45.35	(64.77)	184.68
4	Mr. Rahul Suresh Shinde Whole-time Director (w.e.f. May 2, 2022)	32.35@	Not Comparable**	131.75
5	Mr. Varun Kumar Prabhakar Company Secretary & Compliance Officer (w.e.f. May 2, 2022)	4.12#	(18.12)	16.79
6	Dr. Ravi Gupta*** Non-Executive Independent Director	1.30	(38.10)	5.29
7	Ms. Rashmi Dhariwal*** Non-Executive Independent Director	1.20	(42.86)	4.89
8	Dr. Girish Kumar Ahuja*** Non-Executive Independent Director	0.80	(50.00)	3.26
9	Mr. Pradeep Sardana*** Non-Executive Independent Director	0.40	(60.00)	1.63
10	Mr. Prashant Purker*** Non-Executive Independent Director (w.e.f. May 2, 2022)	0.40	Not Comparable**	1.63

* *The said amount is payable as profit related commission for the financial year 2022-23, pursuant to the shareholders' approval dated June 28, 2022. During the financial year 2022-23, the Company has paid profit related commission of ₹ 12.6 million for the financial year 2021-22, pursuant to the Shareholders' approval dated July 15, 2021.*

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

*** *The Company pays sitting fee of ₹ 1 lakh to each Independent Director for attending Board/ Committee Meetings.*

@ *Mr. Rahul Suresh Shinde joined the Company on April 4, 2022. During the financial year 2022-23, he has received total remuneration of ₹ 35.10 million.*

During the financial year 2022-23, Mr. Varun Kumar Prabhakar has received total remuneration of ₹ 4.38 million.

Note: The median remuneration has been calculated on the basis of full-time employees on the payroll of the Company.

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

There was decrease of 1% in the median remuneration of employees (excluding Remuneration of Directors and KMPs) in Financial Year ended on March 31, 2023.

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

Permanent employees on the rolls of the Company as on March 31, 2023 were 15,685. The said number of employees includes both full-time & part time employees.

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

The average increase in the salaries of employees other than Managerial Personnel was 8.8%. The above table contain the details of remuneration paid to the managerial personnel. The remuneration paid to managerial personnel is basis prevailing market trends, business results delivery objectives and overall responsibility matrix and the same is in line with the resolutions approved by the Board of Directors and/or Shareholders.

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

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

STATEMENT OF PARTICULARS UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (ALSO INCLUDES THE DETAILS OF TOP TEN EMPLOYEES OF THE COMPANY IN TERMS OF REMUNERATION DRAWN)

S. No.	Name of the Employees	Designation	Remuneration (₹ in Million)	Age	Qualification	Experience in years	Last Employment	Date of commencement of employment
1	Mr. Virag Joshi	Whole-time Director & CEO	46.61	59	Diploma in Hotel Management	40	Priya Village Roadshow Limited	December 10, 2001
2	Mr. Manish Dawar	Whole-time Director & CFO	45.35	57	Graduate, CA & CS	32	Vodafone Idea Limited	December 30, 2020
3	Mr. Rahul Suresh Shinde#	Whole-time Director (w.e.f. May 2, 2022)	35.10	45	Graduate, Masters & Ph.D. in Industrial Engineering	23	KFC Asia Franchise Pte. Ltd.	April 4, 2022
4	Mr. Rajat Luthra	Brand, Chief Executive Officer	27.55	53	Graduate, Postgraduate certificate in business management & Diploma in Hotel Management	31	The Mobilestore Limited	November 7, 2011
5	Mr. Tarun Jain#	Brand, Chief Executive Officer	18.77	49	Graduate, PG & Diploma in Hotel Management	23	Devyani Food Street Private Limited	April 1, 2021
6	Mr. Amitabh Negi	Chief Development Officer	18.13	47	Graduate & Senior Management Programme from IIM	27	Yum Restaurants (India) Private Limited	April 1, 2016
7	Mr. Rajeev Kumar Verma	General Manager	12.93	43	Graduate & PGDM	22	Royal Sporting House	March 23, 2005
8	Mr. Arun Sharma	Brand, Chief Executive Officer	11.17	50	Graduate	29	Nirula's Corner House Ltd.	February 10, 2002

S. No.	Name of the Employees	Designation	Remuneration (₹ in Million)	Age	Qualification	Experience in years	Last Employment	Date of commencement of employment
9	Mr. Shivashish Pandey#	Brand, Chief Executive Officer	9.72	46	Graduate, CA, CMA, MBA & Management Program from Harvard Business School	20	PT. Fast Food Indonesia Tbk	October 3, 2022
10	Mr. Avinash Singh	Associate General Manager	9.61	39	Graduate	21	Devyani International (Nepal) Private Limited	February 13, 2019
11	Mr. Sanjeev Arora#	Chief Financial Controller	6.00	58	Graduate, CA & CS	33	Varun Beverages Limited	January 1, 2019
12	Mr. Sundeep Kumar Chugh#	Brand, Chief Executive Officer	5.32	52	Graduate, CA & Diploma in system Management	26	Benetton India	August 16, 2021

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

Notes:

1. *The Company has no employee (whether employed throughout FY 2022-23 or part thereof) who was in receipt of remuneration which in the aggregate, is in excess of that drawn by the Whole-time Director and holds by himself or along with his spouse and dependent children, not than less two (2) percent or more of the equity shares of the Company.*
2. *Remuneration comprises of basic salary, allowances, provident fund contribution and perquisites (including ESOP perquisite, if any) as defined under the Income-tax Act, 1961.*
3. *None of the above employee is related to any Director of the Company.*
4. *All the above employees are/were in full time employment of the Company.*

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

Ravi Jaipuria
Chairman
DIN: 00003668

Place: Gurugram
Date: May 17, 2023

Annexure - B

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

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

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

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

We report that

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

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

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

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

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

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

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

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

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

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

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

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the Audit Period);

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

(e) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021 (Not applicable to the Company during the Audit Period);

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

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

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

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

We have also examined compliance of the Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India which has been generally complied with.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable.

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

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

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

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

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

We also report that during the audit period, pursuant to the Orders of Hon'ble National Company Law Tribunal, New Delhi ('NCLT') on the first motion application filed by the Company, the Equity Shareholders and Unsecured Creditors of the Company, at their respective meetings held on December 29, 2022, approved the Scheme with requisite majority. The Company has filed second motion petition with NCLT and the Scheme is pending for final approval.

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

Kapil Dev Taneja
Partner
Mem. No. F4019; CP No. 22944
UDIN: F004019E000321149

Place: New Delhi
Date: May 17, 2023

Annexure - C

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

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

   The Company has in place a Corporate Social Responsibility Policy and the same is available on the website of the Company i.e. **https://www.dil-rjcorp.com/wp-content/uploads/2022/12/Corporate-Social-Responsibility-Policy.pdf**. During the Financial Year 2022-23, the Company was not required to contribute any amount towards CSR in terms of the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder.

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

S. No.	Name of Director	Designation/ Nature of Directorship	Number of meeting(s) of CSR Committee held during the financial year 2022-23	Number of meeting(s) of CSR Committee attended during the financial year 2022-23
1	Dr. Naresh Trehan	Chairman (Independent Director)	1	1
2	Mr. Varun Jaipuria	Member (Non-Executive Director)	1	-
3	Mr. Virag Joshi	Member (Executive Director)	1	1

3. **Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

   - Composition of CSR Committee: **https://www.dil-rjcorp.com/wp-content/uploads/2023/06/1jun_composition-of-committees.pdf**.
   - CSR Policy: **https://www.dil-rjcorp.com/wp-content/uploads/2022/12/Corporate-Social-Responsibility-Policy.pdf**.

4. **Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:** Not Applicable

5. (a) **Average net profit of the company as per sub-section (5) of section 135:** Average net loss of ₹ 294.35 Million.

   (b) **Two percent of average net profit of the company as per sub-section (5) of section 135:** Not Applicable, in view of average net loss during the last three financial years.

   (c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

   (d) **Amount required to be set-off for the financial year, if any:** Nil

   (e) **Total CSR obligation for the financial year [(b)+(c)-(d)]:** Nil

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** Not applicable

   (b) **Amount spent in Administrative Overheads:** Not applicable

   (c) **Amount spent on Impact Assessment, if applicable:** Not applicable

   (d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** Not applicable

   (e) **CSR amount spent or unspent for the Financial Year:** Not applicable

   (f) **Excess amount for set-off, if any:** Not applicable

7. **Details of Unspent CSR amount for the preceding three financial years:** Not applicable

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year (Yes/No):** No

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135:** Not Applicable

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

	Virag Joshi	**Naresh Trehan**
Place: Gurugram	Whole-time Director & CEO	Chairman - CSR Committee
Date: May 17, 2023	DIN: 01821240	DIN: 00012148

Annexure - D

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

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

A. Conservation of Energy:

i)	Steps taken for conservation of energy	The Company evaluates the possibilities and various alternatives to reduce energy consumption and use of low energy consuming LED lightings is being encouraged. The Company recognizes the importance of energy conservation in decreasing the adverse effects of global warming and climate change. The Company carries on its activities in an environmental friendly and energy efficient manner.
ii)	Steps taken by the Company for utilizing alternate sources of energy	The Company had installed Solar Panels in Corporate Office and some of its food courts/ stores, which continue to conserve energy and reduce consumption of traditional electricity.
iii)	Capital investment on energy conservation equipment	Nil

B. Technology absorption:

i)	Efforts made towards technology absorption	The Company believes in leveraging technology to transform every dimension of its business. Investments in technology infrastructure is an important element of Company's commitment to delivering seamless customer experience. Further, steps taken towards Energy Conservation are the result of technology absorption. However, there is no other specific information to be furnished in this regard.
ii)	Benefits derived like product improvement, cost reduction, product development or import substitution	N.A.
iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): (a) Details of technology imported; (b) Year of import; (c) Whether the technology been fully absorbed; and (d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof.	N.A.
iv)	Expenditure incurred on Research and Development.	N.A.

C. Foreign Exchange Earnings & Outgo:

(₹ in Million)

Particulars	Year Ended 31-Mar-23	Year Ended 31-Mar-22
Earnings in foreign currency	75.60	16.25
Outgo in foreign currency:		
(a) Value of Imports (CIF)		
Capital Goods	40.55	4.62
Stores, Spares, Raw Material & Trading goods	9.27	13.33
(b) Expenditure in foreign currency		
Royalty & Other Fee	86.26	88.90
Interest	-	10.58

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

Ravi Jaipuria
Chairman
DIN: 00003668

Place: Gurugram
Date: May 17, 2023

Annexure - E

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report of Devyani International Limited ('the Company'/ 'DIL') has been prepared in compliance to the requirements of Regulations 17 to 27, read with Schedule V and Clauses (b) to (i) and (t) of Regulation 46(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('SEBI Listing Regulations').

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE PRACTICES

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

- All securities related filings with Stock Exchanges are reviewed by the Company's Board of Directors.
- The Company has following Board Committees: Audit, Risk Management and Ethics Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Share Allotment Committee and Investment and Borrowing Committee.
- The Company also undergoes Secretarial Audit conducted by an independent firm of Practicing Company Secretaries. The Secretarial Audit Report is placed before the Board and forms part of the Annual Report.
- Observance and adherence of all applicable Laws including Secretarial Standards -1 & 2 issued by the Institute of Company Secretaries of India.

GOVERNANCE POLICIES

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

- Code of Conduct for Board of Directors and Senior Management;
- Code of Conduct for Prohibition of Insider Trading;
- Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information;

- Policy on Related Party Transactions;
- Corporate Social Responsibility Policy;
- Policy for Determination of Material Subsidiary and Governance of Subsidiaries;
- Policy for Determination of Materiality of Events/ Information;
- Remuneration Policy for Directors, Key Managerial Personnel (KMP), Members of Senior Management and other Employees of the Company;
- Vigil Mechanism Policy;
- Policy for Preservation of Documents;
- Policy on Diversity of the Board of Directors;
- Risk Management Policy;
- Dividend Distribution Policy;
- Archival Policy;
- Go Green Guidelines;
- Anti-Bribery Policy; and
- Policy for Prevention, Prohibition and Redressal of Sexual Harassment (POSH) at Workplace.

BOARD OF DIRECTORS

As at March 31, 2023, 6 (Six) out of 12 (Twelve) Directors on the Board were Independent Directors. At DIL, it is our belief that a competent and diversified Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality/ standards of governance. The Board's actions and decisions are aligned with the Company's interests and objectives. The Board critically evaluates the Company's strategic direction, management policies and their effectiveness.

The composition of the Board of the Company as at March 31, 2023 was as under:

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

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

INTER-SE RELATIONSHIP AMONG DIRECTORS

Except Mr. Ravi Jaipuria and Mr. Varun Jaipuria, none of the Directors is related to any other Director of the Company. Mr. Varun Jaipuria, Non-executive Director, is son of Mr. Ravi Jaipuria, Non-executive Chairman of the Company.

CORE SKILLS/ EXPERTISE/ COMPETENCIES AVAILABLE WITH THE BOARD

At DIL, we strongly believe that it is the collective effectiveness of the Board that influences the Company's performance and therefore members of the Board should have a balance of skills, experience and diversity. Given the Company's size, scale and nature of business, the Board has identified skills/ expertise/ competencies in the area of leadership/ operations, strategic planning, industry experience, technical, research and development, innovation, global business, finance, legal, corporate governance and risk management etc. as those necessary for its members.

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

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

SELECTION OF INDEPENDENT DIRECTORS

Considering the requirement of skill sets/ expertise/ experience/ competence on the Board, eminent people having an independent standing in their respective field/ profession and who can effectively contribute to the Company's business and policy decisions are considered and recommended by the Nomination and Remuneration Committee for appointment as an Independent Director on the Board. The Nomination and Remuneration Committee in addition to the criteria prescribed under the Companies Act, 2013 ('the Act') and the SEBI Listing Regulations, also considers independence, positive attributes, integrity, competencies, area of expertise, experience, material relationships, associations and interest in other business. The Board considers the Nomination and Remuneration Committee recommendation and takes appropriate decision.

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

In the opinion of the Board, the Independent Directors fulfill the conditions as specified under the Act and the SEBI Listing Regulations and are Independent of the management.

INDEPENDENT DIRECTORS' INDUCTION AND FAMILIARIZATION

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

BOARD EVALUATION

In compliance to the provisions of the Act and the SEBI Listing Regulations, the Board of Directors of the Company ensures formation, review and monitoring of an effective evaluation framework for evaluation of Directors including Chairman of the Board, Board as a whole and the Committees thereof. The Board of Directors have carried out the evaluation for the Financial Year ended March 31, 2023.

INTERNAL AUDIT

As recommended by the Audit, Risk Management and Ethics Committee, the Board of Directors at its meeting held on May 2, 2022 appointed M/s. VGG & Co., Chartered Accountants, as Internal Auditors of the Company for the Financial Year 2022-23 to conduct internal audit of the Company. Their reports are submitted to the Audit, Risk Management and Ethics Committee on periodic basis.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

In compliance with the provisions of Schedule IV to the Act read with Regulation 25 of the SEBI Listing Regulations, Independent Directors of the Company met without the presence of Non-Independent Directors and members of the management team and *inter-alia* reviewed:

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

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

BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND PROCEDURE

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

As on date of this report, the Board has 6 (Six) Committees, namely Audit, Risk Management and Ethics Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Share Allotment Committee and Investment and Borrowing Committee.

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

BOARD/ COMMITTEE MEETINGS

The Board meets at regular intervals to discuss and decide on various business matters, business policies and strategies of the Company. The Board/ Committee Meetings are timely scheduled and informed to all Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. The Board is updated on the discussions held at the Committee meetings and the recommendations made by various Committees.

Agenda of the Board/ Committee Meetings is set by the Company Secretary in consultation with the Whole-time Director(s) and the Chairman of the Board/ Committees. Board meets at least once in a quarter to review *inter-alia* the quarterly results, compliances and performance of the Company. Additional meetings are held on need basis. The agenda is generally circulated a week prior to the date of the meeting and includes detailed notes on items to be discussed at the meeting to enable the Directors to take an informed decision. However, in case of urgency, the agenda is circulated at a shorter notice as per the provisions of the Secretarial Standard – 1 issued by the Institute of Company Secretaries of India.

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

4 (Four) Board meetings were held during the Financial Year 2022-23 on May 2, 2022, August 3, 2022, November 3, 2022 and February 9, 2023. The gap between two Board meetings was within the limit prescribed under Section 173(1) of the Act and Regulation 17(2) of the SEBI Listing Regulations.

BOARD FUNCTION

The functioning of the Board *inter-alia* includes:

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

COMPANY SECRETARY'S ROLE

The Company Secretary, being Key Managerial Personnel, is responsible for collation, review and distribution of all documents and information submitted to the Board and Committees thereof for consideration. He is also responsible for preparation of agenda in consultation with the Whole-time Director(s) and the Chairman of the Board/ Committees. The Company Secretary attends all the meetings of the Board and its Committees, advises the Board on compliance and governance principles.

RECORDING MINUTES OF PROCEEDINGS OF BOARD AND COMMITTEE MEETINGS

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

POST MEETING FOLLOW-UP MECHANISM

The guidelines for Board and Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Committees thereof. Important decisions taken at Board/ Committee meetings are communicated promptly to the concerned departments/ divisions.

ATTENDANCE OF DIRECTORS AT BOARD MEETINGS & LAST ANNUAL GENERAL MEETING (AGM), NUMBER OF OTHER DIRECTORSHIPS/ MEMBERSHIPS OF COMMITTEES AND SHAREHOLDING OF EACH DIRECTOR IN THE COMPANY:

	Name, DIN and Category	Attendance in Financial Year 2022-23			Number of Directorships in other Companies as on March 31, 2023*		Committee Membership and Chairmanship in other Companies# as on March 31, 2023		Shareholding in the Company as on March 31, 2023
		Board Meetings		AGM	Private	Public	Chairmanship	Membership	
		Held during tenure	Attended@						
(a)	**Promoter**								
	Mr. Ravi Jaipuria (00003668) Non-executive Chairman	4	4	Yes	1	5	NIL	1	21,14,103
	Mr. Varun Jaipuria (02465412) Non-executive Director	4	3	Yes	3	2	NIL	NIL	3,96,25,617
(b)	**Non-Executive Non Independent Director**								
	Mr. Raj Gandhi (00003649) Non-executive Director	4	4	Yes	2	8	NIL	3	30,00,000
(c)	**Executive Directors**								
	Mr. Virag Joshi (01821240) Whole-time Director & Chief Executive Officer	4	4	Yes	NIL	2	NIL	NIL	84,91,438
	Mr. Manish Dawar (00319476) Whole-time Director & Chief Financial Officer	4	4	Yes	NIL	1	NIL	NIL	9,05,003
	Mr. Rahul Suresh Shinde (07166035) Whole-time Director	3	3	Yes	1	NIL	NIL	NIL	NIL
(d)	**Non-Executive & Independent Director**								
	Dr. Ravi Gupta (00023487)	4	4	Yes	9	4	5	5	NIL
	Ms. Rashmi Dhariwal (00337814)	4	3	No	4	5	2	5	NIL
	Mr. Pradeep Sardana (00682961)	4	4	No	NIL	2	NIL	1	4,635
	Dr. Naresh Trehan (00012148)	4	4	Yes	4	6	NIL	NIL	NIL
	Dr. Girish Kumar Ahuja (00446339)	4	4	Yes	1	8	4	9	NIL
	Mr. Prashant Purker (00082481)	3	3	Yes	1	1	NIL	NIL	NIL

@*Includes attendance through Video-conferencing*

**Does not include directorship in foreign companies*

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

Pursuant to Part C of Schedule V of the SEBI Listing Regulations, details of Directors of the Company, holding directorship in other listed entity(ies), along with category of their directorship as on March 31, 2023, are mentioned below:

S. No.	Name of Director	Company	Category of Directorship
1	Mr. Ravi Jaipuria	Varun Beverages Limited	Non-executive & Non-Independent Director
		Global Health Limited	Non-executive Nominee Director
2	Mr. Varun Jaipuria	Varun Beverages Limited	Whole-time Director
3	Mr. Raj Gandhi	Varun Beverages Limited	Whole-time Director
4	Dr. Ravi Gupta	Varun Beverages Limited	Non-executive & Independent Director
		Global Health Limited	Non-executive & Independent Director
5	Ms. Rashmi Dhariwal	Varun Beverages Limited	Non-executive & Independent Director
		Vindhya Telelinks Limited	Non-executive & Independent Director
6	Mr. Pradeep Sardana	Varun Beverages Limited	Non-executive & Independent Director
7	Dr. Naresh Trehan	Varun Beverages Limited	Non-executive & Independent Director
		Global Health Limited	Chairman & Managing Director
8	Dr. Girish Kumar Ahuja	Patanjali Foods Limited	Non-executive & Independent Director
		Amber Enterprises India Limited	Non-executive & Independent Director
		Unitech Limited	Non-executive & Independent Director

Note: Mr. Virag Joshi, Mr. Manish Dawar, Mr. Rahul Suresh Shinde and Mr. Prashant Purker, Directors, were not holding directorship in any other listed entity as on March 31, 2023.

COMMITTEES OF THE BOARD

The Board Committees play a vital role in strengthening the Corporate Governance practices. The Board has constituted several Committees of Directors with adequate delegation of powers to focus effectively on the issues and ensure expedient resolution of diverse matters. Each Committee has specific terms of reference setting forth the purpose, role and responsibilities. Minutes of the proceedings of all the Committee meetings are circulated to the Board to take note of the same. Video/ Tele-conferencing facility is also offered to facilitate Members of the Committees to participate in the meetings. The Committee may request invitee(s) to join the meeting, as considered appropriate.

Schedule V of the SEBI Listing Regulations requires mandatory disclosure(s) related to the Audit, Risk Management and Ethics Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee, which are as under:

(i) Audit, Risk Management and Ethics Committee

The Audit, Risk Management and Ethics Committee comprises three Independent Directors. All the members possess financial/ accounting expertise/ exposure and have held or hold senior positions in other reputed organizations/ institutions. The Chairman of the Audit, Risk Management and Ethics Committee was present at the last AGM held on June 28, 2022.

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

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

- Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible.
- Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the Company and approval of payment for any other services rendered by the statutory auditors of the Company.
- Reviewing with the Management, the quarterly/ annual results and annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, *inter-alia*, include reviewing changes in the accounting policies and reasons for the same, major accounting entries involving estimates based on exercise of judgement by Management, significant adjustments made in the financial statements.
- Review the Management's Discussion and Analysis of financial condition and results of operations.
- Scrutiny of inter-corporate loans and investments.

- Evaluation of internal financial controls and risk management systems.
- Reviewing the functioning of the whistle blower/ vigil mechanism.
- Formulate a detailed risk management policy which shall include:
  - Framework for identification of internal and external risks.
  - Measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan.
- Evaluate and review the risk management plan, the risk management system, including risk policy, risk process (risk identification, assessment, mitigation and monitoring), cyber security processes and risk registers laid down by the Management.
- Approval of the appointment of the Chief Financial Officer after assessing the qualifications, experience and background etc. of the candidate;

The Audit, Risk Management and Ethics Committee met 4 (Four) times during the Financial Year 2022-23 on May 2, 2022, August 3, 2022, November 3, 2022 and February 9, 2023.

Composition of the Committee and attendance of the Members at the meetings held during the Financial Year 2022-23:

S. No.	Name	Category	Designation	No. of meetings	
				Held	Attended@
1	Dr. Ravi Gupta	Independent Director	Chairman	4	4
2	Ms. Rashmi Dhariwal	Independent Director	Member	4	3
3	Dr. Girish Kumar Ahuja	Independent Director	Member	4	4

@Includes attendance through Video-conferencing

The Audit, Risk Management and Ethics Committee invites executives as it considers appropriate, particularly the Whole-time Directors, Head of Finance and representatives of Statutory Auditors and Internal Auditors (for internal audit matters) to be present at its meetings. The Company Secretary acts as Secretary to the Committee.

(ii) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprises four Directors including two Independent Directors. The Chairman of the Stakeholders' Relationship Committee was present at the last AGM held on June 28, 2022.

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

The brief terms of reference of Stakeholders' Relationship Committee *inter-alia* are to consider and resolve the grievances of security holders of the Company including but not limited to transfer/ transmission of shares, non-receipt of annual report and review of services rendered by the Registrar and Share Transfer Agent.

The Stakeholders' Relationship Committee met on February 9, 2023.

Composition of the Committee and attendance of the Members at the meeting held during the Financial Year 2022-23:

S. No.	Name	Category	Designation	No. of meeting	
				Held	Attended
1	Dr. Ravi Gupta	Independent Director	Chairman	1	1
2	Ms. Rashmi Dhariwal	Independent Director	Member	1	1
3	Mr. Raj Gandhi	Non-Executive Director	Member	1	1
4	Mr. Manish Dawar	Whole-time Director	Member	1	1

The Company Secretary acts as Secretary to the Committee.

Investor Grievances/ Complaints

The details of the Investor Complaints received and resolved during the Financial Year ended March 31, 2023 are as follows:

Opening Balance	No. of complaints received	No. of complaints resolved	No. of complaints not resolved to the satisfaction of shareholders	No. of complaints pending
NIL	17	17	NIL	NIL

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

Compliance Officer

Mr. Varun Kumar Prabhakar, Company Secretary is designated as the Compliance Officer of the Company to comply with the requirements of SEBI Regulations and other Securities Laws. Further, the Board of Directors has appointed and designated Mr. Pankaj Virmani as Company Secretary & Compliance Officer of the Company w.e.f. May 18, 2023.

(iii) Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises three Directors including two Independent Directors. Dr. Ravi Gupta, Member of the Nomination and Remuneration Committee, being duly authorized by the Chairperson in this behalf, attended the last AGM held on June 28, 2022.

The terms of reference and composition of the Nomination and Remuneration Committee satisfy the requirements of Section 178 of the Act, Regulation 19 of the SEBI Listing Regulations and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The brief terms of reference of Nomination and Remuneration Committee *inter-alia* are as under:

- Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees and for evaluation of the performance of independent directors and the Board of Directors;
- Devising a policy on diversity of the Board of Directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board of Directors their appointment and removal and specify the manner for effective evaluation of performance of Board, its committees and individual Directors and review its implementation and compliance;
- Determine whether to extend or continue the term of appointment of the independent directors on the basis of the report of performance evaluation of independent directors; and
- Framing suitable policies and systems to ensure that there is no violation by any employee as well as by the Company of any applicable laws in India or overseas, including:
  - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.

The Nomination and Remuneration Committee met 4 (Four) times during the Financial Year 2022-23 on May 2, 2022, June 29, 2022, September 23, 2022 and February 9, 2023.

Composition of the Committee and attendance of the Members at the meetings held during the Financial Year 2022-23:

S. No.	Name	Category	Designation	No. of meetings	
				Held	Attended@
1	Ms. Rashmi Dhariwal	Independent Director	Chairperson	4	4
2	Dr. Ravi Gupta	Independent Director	Member	4	4
3	Mr. Ravi Jaipuria	Non-executive Director	Member	4	3

@*Includes attendance through Video-conferencing*

The Company Secretary acts as Secretary to the Committee.

PERFORMANCE EVALUATION CRITERIA FOR DIRECTORS

Pursuant to the provisions of the Act, Regulations 17 and 25 of the SEBI Listing Regulations and Guidance Note on Board Evaluation issued by the SEBI, Nomination and Remuneration Committee has devised a criteria for the evaluation of the performance of Directors including Independent Directors. An indicative list of factors on which evaluation was carried out includes experience, attendance, acquaintance with the business, effective participation, strategy, contribution and independent judgement.

The Board has carried out the annual evaluation of its own performance, the Committees and Directors. The evaluation process focused on various aspects of the Board and Committees functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, corporate governance and compliance management etc.

REMUNERATION OF DIRECTORS

Details of remuneration paid to Directors of the Company for the Financial Year ended March 31, 2023, are as follows:

(i) Executive Directors

(₹ in million)

S. No.	Name	Salary	Perquisite	Bonus/ Incentive	Provident Fund	Total
1	Mr. Virag Joshi	37.58	-	7.30	1.73	46.61
2	Mr. Manish Dawar	36.68	-	6.87	1.80	45.35
3	Mr. Rahul Suresh Shinde (w.e.f. May 2, 2022)	32.33	-	-	0.02	32.35

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

(ii) Non-Executive Directors

(₹ in million)

S. No.	Name	Sitting Fee	Profit Related Commission	Total
1	Mr. Ravi Jaipuria*	-	23.44	23.44
2	Dr. Ravi Gupta	1.30	-	1.30
3	Ms. Rashmi Dhariwal	1.20	-	1.20
4	Mr. Pradeep Sardana	0.40	-	0.40
5	Dr. Girish Kumar Ahuja	0.80	-	0.80
6	Mr. Prashant Purker	0.40	-	0.40

**The said amount is payable as profit related commission for the financial year 2022-23, pursuant to the shareholders' approval dated June 28, 2022. During the financial year 2022-23, the Company has paid profit related commission of ₹ 12.6 million for the financial year 2021-22, pursuant to the Shareholders' approval dated July 15, 2021.*

CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS INCLUDING ALL PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON-EXECUTIVE DIRECTORS

The Independent Directors are not paid any remuneration other than the sitting fee for attending meetings of the Board and the Committees thereof as approved by the Board. Based on the recommendation of the Nomination and Remuneration Committee, the Company pays profit related commission to Non-executive Director(s).

In addition to the above, there was no pecuniary relationship or transaction between the Non-executive Directors and the Company during the year.

PROHIBITION OF INSIDER TRADING

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

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

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

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

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

COMPLIANCE WITH THE CODE OF CONDUCT

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

On the basis of declarations received from Board Members and Senior Management Personnel, the Whole-time Director & Chief Executive Officer has given a declaration that the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code during the Financial Year 2022-23. A copy of such declaration is also attached with this report.

GENERAL BODY MEETINGS

Annual General Meeting

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

AGM	Financial Year	Day, Date & Time	Venue/ Mode	Brief description of Special Resolutions
31st	2021-22	Tuesday, June 28, 2022 at 11:00 A.M.	Through Video Conferencing/ Other Audio Visual Means Facility (deemed venue: Registered Office)	• To appoint Mr. Prashant Purker as an Independent Director of the Company. • To appoint Mr. Rahul Suresh Shinde as a Whole-time Director of the Company. • To approve payment of profit related commission to Mr. Ravi Jaipuria, Non-executive Chairman of the Company. • To approve ratification and amendments in the 'Employees Stock Option Scheme 2021' of the Company. • To approve ratification and grant of stock options to the employees of holding, subsidiary, group or associate company(ies) of the Company under the 'Employees Stock Option Scheme 2021'.
30th	2020-21	Thursday, July 15, 2021 at 03:00 P.M.	Through Video Conferencing/ Other Audio Visual Means Facility (deemed venue: Registered Office)	• Payment of profit related commission to Non-executive Directors.
29th	2019-20	Thursday, September 24, 2020 at 11:00 A.M.	Through Video Conferencing/ Other Audio Visual Means Facility (deemed venue: Registered Office)	• To amend the Memorandum of Association. • To amend the Articles of Association

Extra-ordinary General Meeting

Apart from the Annual General Meeting, an Extra-ordinary General Meeting of the Company was held during the Financial Year 2022-23, wherein the following special resolution was passed:

EGM	Day, Date & Time	Venue/ Mode	Brief description of Special Resolutions
1st EGM of FY 22-23	Friday, December 16, 2022 at 02:00 P.M.	Through Video Conferencing/ Other Audio Visual Means Facility (deemed venue: Registered Office)	• Re-appointment of Mr. Virag Joshi as Whole-time Director of the Company, designated as President & Chief Executive Officer.

Hon'ble National Company Law Tribunal Convened Meeting

To comply with Orders dated November 11, 2022 and November 18, 2022, passed by the Hon'ble National Company Law Tribunal, New Delhi Bench (Court-III) and applicable provisions of the Act and the SEBI Listing Regulations, the Court convened meetings of Equity Shareholders and Unsecured Creditors of the Company were held on December 29, 2022, through video conferencing/ other audio visual means to consider and approve, the Scheme of Amalgamation between Devyani Airport Services (Mumbai) Private Limited and Devyani Food Street Private Limited (Transferor Companies) and Devyani International Limited (Transferee Company).

Members and Creditors exercised their vote(s) by remote e-voting during the period from Monday, December 26, 2022 till Wednesday, December 28, 2022. Further, the facility for voting through electronic voting system was also available at the meetings.

The Scrutiniser submitted his reports on December 29, 2022, after completion of scrutiny and results of the e-voting were announced on the same day. The resolution(s) approving the said Scheme of Amalgamation was passed with requisite majority.

Voting results of the aforesaid meetings are available on the website of the Stock Exchanges and website of the Company at **https://dil-rjcorp.com/corporate-governance/**.

Postal Ballot

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

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

MEANS OF COMMUNICATION

Information like Quarterly/ Half Yearly/ Annual Financial Results, press releases, presentations for investors and analysts and other vital intimation on significant developments in the Company, is submitted with the Stock Exchanges within prescribed time for dissemination on their website, apart from hosting the same on Company's website at **https://dil-rjcorp.com**, for information of all stakeholders.

The Quarterly/ Half Yearly/ Annual Financial Results are published in Newspapers of English and Hindi language, usually in Business Standard, The Economic Times and Jansatta.

GENERAL SHAREHOLDERS INFORMATION

A) Annual General Meeting

Date: July 3, 2023 (Monday)

Time: 11:00 A.M. (IST)

Venue/ Mode: Through Video Conferencing/ Other Audio Visual Means ("VC/ OAVM")

B) Financial Year

The Financial Year of the Company starts from April 1 and ends on March 31 every year.

C) Financial Calendar 2023-24 (tentative)

First Quarter Results	On or before August 14, 2023
Second Quarter Results	On or before November 14, 2023
Third Quarter Results	On or before February 14, 2024
Audited Annual Results for the financial year ending on March 31, 2024	On or before May 30, 2024
Annual Book Closure	June 26, 2023 to July 3, 2023 (both days inclusive)

D) Dividend and its Payment

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

E) Listing of Shares on Stock Exchanges and Stock Code

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

Annual listing fee for the Financial Year 2023-24 has been paid to the National Stock Exchange of India Limited and BSE Limited.

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

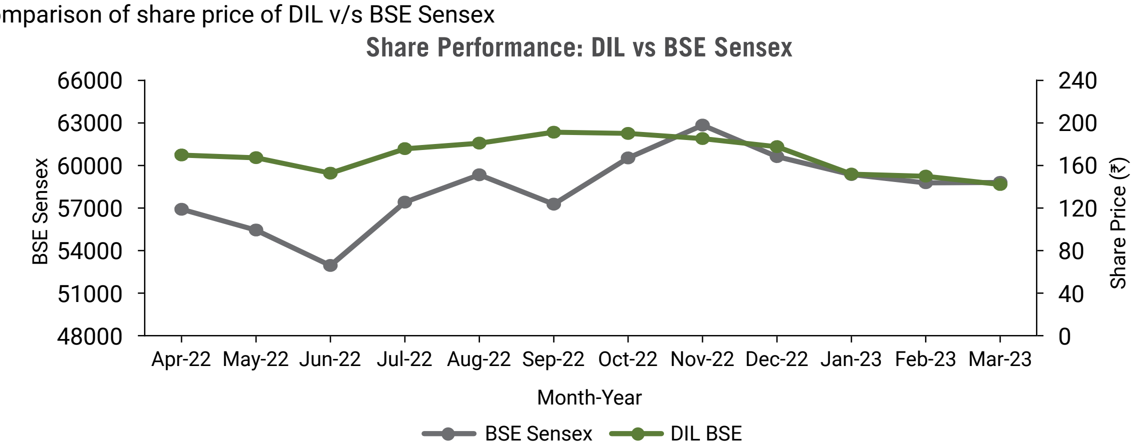
G) Market Price Data for the period April 1, 2022 to March 31, 2023

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
Apr-22	181.75	160.00	34,29,956	181.80	160.00	3,77,54,618
May-22	174.50	142.50	29,56,399	174.70	142.50	3,76,56,267
Jun-22	174.50	141.05	26,53,567	173.30	141.05	2,71,44,828
Jul-22	181.85	152.45	29,55,422	181.90	152.70	3,50,76,883
Aug-22	215.00	175.95	4,66,70,841	215.00	176.00	15,28,80,371
Sep-22	201.90	179.30	75,88,100	201.90	179.25	8,99,21,093
Oct-22	201.65	184.40	34,34,302	201.90	183.50	3,66,07,842
Nov-22	200.85	173.20	42,36,334	200.90	173.10	6,29,79,513
Dec-22	195.35	166.20	22,94,942	195.40	166.30	4,62,65,895
Jan-23	181.85	150.10	23,03,291	182.00	150.10	2,93,30,448
Feb-23	163.85	146.50	24,52,259	163.90	146.65	2,56,94,721
Mar-23	155.00	134.05	31,79,157	155.00	133.95	7,52,79,091

Performance in comparison to broad - based indices

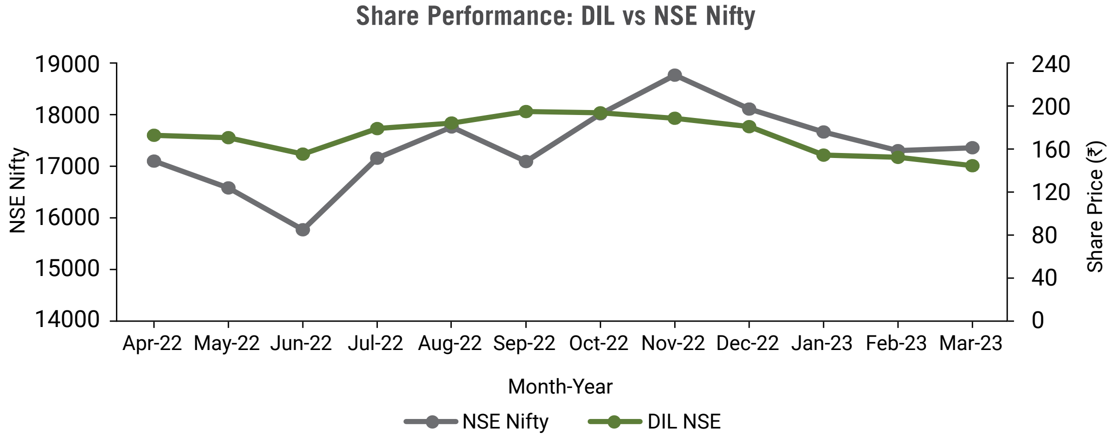
Performance on BSE

Comparison of share price of DIL v/s BSE Sensex



Performance on NSE

Comparison of share price of DIL v/s NSE Nifty



H) Registrar and Share Transfer Agent

The Registrar and Share Transfer Agent of the Company was changed from "Link Intime India Private Limited" to "KFin Technologies Limited" w.e.f. January 11, 2023 and all the work relating to the shares held in physical form as well as the shares held in the electronic (demat) form is being done by KFin Technologies Limited, whose details are given below:

KFin Technologies Limited

Unit: Devyani International Limited
Selenium Tower B, Plot Nos. 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad – 500 032
Toll Free No.: 1800 309 4001
Email: **einward.ris@kfintech.com**
Website: **www.kfintech.com**
SEBI Registration No.: INR000000221

I) Share Transfer System

As on March 31, 2023 – 1,20,49,61,373 (One Hundred Twenty Crore Forty Nine Lakh Sixty One Thousand Three Hundred Seventy Three) equity shares of the Company were in dematerialized form and 5 (Five) equity shares were held in physical form.

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

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

J) Distribution of Shareholding (as on March 31, 2023)

Shareholding	No. of Shareholders	Percentage	No. of Shares	Percentage
1 – 5000	3,05,150	99.61	4,51,47,323	3.75
5001 – 10000	644	0.21	45,88,965	0.38
10001 - 20000	219	0.07	31,45,974	0.26
20001 - 30000	71	0.02	17,58,593	0.15
30001 - 40000	38	0.01	13,43,777	0.11
40001 - 50000	33	0.01	15,39,569	0.13
50001 - 100000	50	0.02	38,04,262	0.32
100001 & above	150	0.05	1,14,36,32,915	94.91
Total	**3,06,355**	**100.00**	**1,20,49,61,378**	**100.00**

K) Categories of Shareholders (as on March 31, 2023)

S. No.	Category of Shareholder	No. of Shareholders	No. of Shares	Percentage
(A)	**Promoter and Promoter Group**			
1	Indian	4	75,65,62,190	62.79
2	Foreign	-	-	-
	Total Shareholding of Promoter and Promoter Group	**4**	**75,65,62,190**	**62.79**
(B)	**Public Shareholding**			
1	Institutions	173	23,41,97,404	19.44
2	Non-institutions	3,06,178	21,42,01,784	17.77
	Total Public Shareholding	**3,06,351**	**44,83,99,188**	**37.21**
(C)	**Non-Promoter Non-Public**			
	Shares held by Custodian(s) against which Depository Receipts have been issued	-	-	-
	Total shares held by Non-Promoter Non-Public	**-**	**-**	**-**
	Total (A) + (B) + (C)	**3,06,355**	**1,20,49,61,378**	**100.00**

L) Dematerialization of Shares and Liquidity

As on March 31, 2023, 99.99% of the total equity shares were held in dematerialized form. The Company's shares are actively traded on the stock exchanges.

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

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

The details for the same have been provided in the Notes to Financial Statements of the Company for the Financial Year 2022-23.

N) Credit Rating: During the year under review, your Company has not obtained any credit rating.

O) Plant Location

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

P) Reconciliation of Share Capital Audit

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

Q) Equity Shares in the Suspense Account

The Company did not have any shares in the demat suspense account or unclaimed suspense account as on March 31, 2023.

R) Compliances under the SEBI Listing Regulations

The Company complies with all compliances stipulated under the SEBI Listing Regulations. Information, certificates and returns as required under the SEBI Listing Regulations are submitted to the stock exchanges within the prescribed time.

S) CEO and CFO Certification

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

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

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

None of the Directors on the Board of the Company have been debarred or disqualified from appointment or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority, as stipulated under Regulation 34 of the SEBI Listing Regulations and a certificate in this respect from a Practicing Company Secretary is annexed.

U) Fees paid to the Statutory Auditors

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to Statutory Auditors of the Company and all entities in the network firm/ network entity, during the Financial Year ended March 31, 2023, is as follows:

(₹ in Million)

Particulars	Walker Chandiok & Co LLP	O P Bagla & Co LLP
Audit Fees	5.00	5.32
Other Services	-	1.88
Reimbursement of Expenses	0.46	-
Total	**5.46**	**7.20**

V) Loans and Advances

During the Financial Year 2022-23, no loans and advances in the nature of loans to firms/ companies in which directors are interested was given by the Company and its subsidiaries.

W) Information on Deviation from Accounting Standards, if any

No deviations from Indian Accounting Standards (Ind AS) in preparation of annual accounts for the Financial Year 2022-23.

X) Investor Correspondence

Company Secretary & Compliance Officer
Plot No. 18, Sector–35, Near Hero Honda Chowk,
Gurugram–122004 (Haryana)
Tel: +91-124-4566300
Email: **companysecretary@dil-rjcorp.com**

Y) Disclosure of Compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46 of the SEBI Listing Regulations

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

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

Compliance of the conditions of Corporate Governance have also been audited by an Independent Firm of Practicing Company Secretaries and after being satisfied of the above compliances, they have issued a compliance certificate in this respect. The said certificate is annexed with this report and the same will be forwarded to the Stock Exchanges along with the Annual Report of the Company.

DISCLOSURES

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

(ii) The Company has complied with the requirements of Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets and there was no instance of non-compliance/ penalty/ strictures imposed by Stock Exchange/ SEBI/ Statutory Authority, on any matter related to capital markets, during the last three years.

(iii) Policy for Determination of Material Subsidiary and Governance of Subsidiaries can be accessed at **https://www.dil-rjcorp.com/wp-content/uploads/2021/06/Policy-on-Material-Subsidiary.pdf**. The Company does not have any Material Subsidiary as on March 31, 2023.

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

COMPLIANCE OF MANDATORY AND ADOPTION OF NON-MANDATORY REQUIREMENTS

Apart from complying with all the mandatory requirements, the Company has adopted following non-mandatory requirements as specified in Regulation 27(1) of the SEBI Listing Regulations:

a) The Company has separate offices of Chairman and Chief Executive Officer. Mr. Ravi Jaipuria is Non-executive Chairman and Mr. Virag Joshi is the Whole-time Director and Chief Executive Officer of the

Company. Mr. Virag Joshi is not related to any Director of the Company.

b) The financial statements of the Company, on standalone basis, are unqualified.

c) The Internal Auditors of the Company report to the Audit Committee.

GREEN INITIATIVE

Pursuant to Sections 101 and 136 of the Act read with the Companies (Management and Administration) Rules, 2014 and Companies (Accounts) Rules, 2014, Regulation 36 of the SEBI Listing Regulations and circulars issued by Ministry of Corporate Affairs, from time to time, the Company can send Notice of Annual General Meeting, Financial Statements and other communication in electronic form. Your Company is sending the Annual Report for the Financial Year 2022-23 along with the Notice of Annual General Meeting, in electronic mode to the shareholders who have registered their e-mail address with the Company/ RTA or their respective Depository Participants (DPs).

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

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

Ravi Jaipuria
Chairman
DIN: 00003668

Place: Gurugram
Date: May 17, 2023

CODE OF CONDUCT

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

It is further confirmed that all the Directors and Senior Management have affirmed their compliance with the Code for the Financial Year ended March 31, 2023.

Virag Joshi
Whole-time Director & CEO
DIN: 01821240

Place: Gurugram
Date: May 17, 2023

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To
The Board of Directors
Devyani International Limited
F-2/7, Okhla Industrial Area, Phase-I,
New Delhi-110020

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

A) We have reviewed Financial Statements and the Cash Flow Statement for the Financial Year ended March 31, 2023 and that to the best of our knowledge and belief:

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

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

B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the Financial Year ended March 31, 2023 which are fraudulent, illegal or violative of the Company's code of conduct.

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

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

   (i) significant changes in internal control over financial reporting during the Financial Year ended March 31, 2023;

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

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

	Virag Joshi	**Manish Dawar**
Place: Gurugram	Whole-time Director & CEO	Whole-time Director & CFO
Date: May 17, 2023	DIN: 01821240	DIN: 00319476

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

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

3. In our opinion and to the best of our information and according to the verifications and examination of the disclosures under Section 184, 189, 170, 164, 149 of the Companies Act, 2013 ("the Act") and DIN status at www.mca.gov.in and explanations furnished to us by the Company and its officers, we certify that none of the below named Directors on the Board of the Company as on March 31, 2023 have been debarred or disqualified from being appointed or continuing as directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority:

S. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment
1.	Mr. Ravi Jaipuria	00003668	15/07/1996
2.	Mr. Varun Jaipuria	02465412	13/11/2009
3.	Mr. Raj Gandhi	00003649	13/08/2007
4.	Mr. Virag Joshi	01821240	10/11/2004
5.	Mr. Manish Dawar	00319476	17/02/2021
6.	Mr. Rahul Suresh Shinde	07166035	02/05/2022
7.	Dr. Ravi Gupta	00023487	06/04/2018
8.	Ms. Rashmi Dhariwal	00337814	06/04/2018
9.	Dr. Naresh Trehan	00012148	21/04/2021
10.	Dr. Girish Kumar Ahuja	00446339	21/04/2021
11.	Mr. Pradeep Khushalchand Sardana	00682961	21/04/2021
12.	Mr. Prashant Purker	00082481	02/05/2022

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

5. This certificate is based on the information and records available as of March 31, 2023 and we have no responsibility to update this certificate for the events and circumstances occurring thereafter.

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

Kapil Dev Taneja
Partner
Mem. No. F4019; CP No. 22944
UDIN: F004019E000321468

Place: New Delhi
Date: May 17, 2023

CORPORATE GOVERNANCE CERTIFICATE

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

We have examined the compliance of conditions of Corporate Governance by Devyani International Limited ("the Company"), for the financial year ended on March 31, 2023 as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

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

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

Kapil Dev Taneja
Partner
Mem. No. F4019; CP No. 22944
UDIN: F004019E000321347

Place: New Delhi
Date: May 17, 2023

MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC OVERVIEW

The Indian economy is poised to continue its rapid growth trajectory in the fiscal year 2023.

Despite global uncertainties and challenges such as the pandemic-induced contraction, the Russian-Ukraine conflict, and inflation, the Indian economy has exhibited remarkable resilience, rebounding strongly across various sectors. This recovery has placed India on track to reclaim pre-pandemic growth levels in the fiscal year 2023. India's consistent average growth rate of ~7.5% per annum over the last two decades serves as a testament to its promising path of expansion.

Growth of Indian economy is driven by a large, young, and growing upper-middle-income population with a high propensity to spend. Anticipated growth for the year is 5.9%, with a focus on investment expected to play a vital role in setting India on a path of sustained growth over the next two years. More importantly, IMF expects Indian to grow faster over the next 5 years, with the growth rate averaging 6.1%.

Asian Development Bank (ADB) shares the same optimism about India. ADB Country Director for India Takeo Konishi believes that "Despite the global slowdown, India's economic growth rate is stronger than in many peer economies and reflects relatively robust domestic consumption and lesser dependence on global demand. The Government of India's strong infrastructure push under the Prime Minister's Gati Shakti (National Master Plan for Multimodal Connectivity) initiative, logistics development, and industrial corridor development will contribute significantly to raising industrial competitiveness and boosting future growth."

Govt. of India's commitment to significantly increase capital expenditure in FY2023, despite targeting a lower fiscal deficit of 5.9% of GDP, will also spur demand. This should drive improvement in labor market conditions and consumer confidence, that should in turn drive growth in private consumption.

Source: IMF, April 2023, Asian Development Outlook 2023

INDUSTRY OVERVIEW & OUTLOOK

The Indian food service market is composed for robust growth in the coming years, with projections indicating that it will reach a staggering USD 79.65 billion by 2028, exhibiting a remarkable compound annual growth rate (CAGR) of 11.19% from USD 41.1 billion in 2022. This industry can be broadly classified into two segments, with the unorganised sector accounting for the lion's share of the market. However, the organised sector also exhibited substantial growth rates between 2014 and 2020.

Within the food service industry, the quick service restaurants (QSR) segment is projected to see substantial growth, with estimates suggesting that it will increase from USD 690.21 million in 2022 to USD 1,069.3 million by 2027, growing at a CAGR of 9.15%. The QSR chain market, which is where your Company operates, is expected to be the fastest-growing sub-segment in the entire food service market, expanding at an impressive CAGR of 23% between FY20 and FY25. The growth can be attributed to favorable changes in consumer behavior and demographics, increasing formalization of the market and large food service chains expanding their footprint in smaller Indian cities. Moreover, middle-class households in Tier II and III cities have increased their annual spending on fast food restaurants by 108% over the past two years.

However, the food service industry has encountered its fair share of challenges. Due to inflation, nearly half of the consumers have reduced their dining or ordering frequency, with many opting for less expensive items. Additionally, the industry has grappled with supply chain disruptions, with 96% of operators experiencing delays or shortages of essential food or beverage items in 2021, a trend that is continued in 2022-23.

Despite these challenges, the QSR industry has shown remarkable resilience and adaptability in response to changing consumer preferences. Its popularity has grown exponentially in urban and suburban settings, with experts predicting that it will continue to rise in the future.

Source: Food Service and Restaurant Business Report 2022-23, by Francorp and restaurantindia.in

KEY DRIVERS FOR GROWTH & OPPORTUNITY

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

Demographic Advantage: India's predominantly young population, with more than 50% under 25 and 65% under 35, spend a substantial part of their income on eating out, particularly fast food, making the QSR sector's growth significant as they prioritize quick service.

Rise in per capita income: India's fast-growing economy and rising disposable incomes are expected to drive increased consumption, with more Indians eating out an average of six times per month, a trend that is set to continue with higher internet penetration.

Rapid Urbanization and Changing Family Dynamics: The ongoing urbanization and shift towards nuclear families are reshaping spending habits and food preferences, leading to an increased inclination towards eating out and home delivery.

Diversifying Food Preferences: The growing exposure to global cultures, boosted by increased travel and tourism, is fueling a rising demand for a mix of international and fusion cuisines among consumers.

Expanding Influence of Food Aggregators: The widespread adoption of app-based ordering and doorstep delivery services offered by food aggregators continues to drive growth in the Indian food services market, thanks to the convenience they provide.

Digital Revolution: The widespread availability of affordable internet access, budget-friendly smartphones, and the ubiquity of social media platforms are contributing to the industry's expansion, allowing for enhanced online ordering experiences, and bridging the gap between urban and non-urban areas.

Enhanced Accessibility and Expansion: With the internet becoming more accessible and online ordering options improving, even Tier-II and Tier-III cities in India are enjoying the convenience and privileges of quick-service restaurants, as well as the presence of third-party vendors who have expanded their operations in the country.

BUSINESS OVERVIEW

Company Snapshot

Devyani International Limited ("DIL" or the "Company"), is a leading player in the Quick Service Restaurant (QSR) industry in India, with a multi-brand portfolio. The company is the largest non-exclusive franchisee of Yum Brands in India, with franchises for Pizza Hut and KFC. DIL is also a franchisee for Costa Coffee in India and has developed its own in-house brands, including Vaango and Food Street. As of March 31, 2023, DIL operates a total of 1,243 stores across multiple cities in India, Nepal, and Nigeria.

Your Company's business is broadly divided into three verticals, namely the "Core Brands Business", which includes KFC, Pizza Hut, and Costa Coffee outlets operated in India. The "International Business" vertical comprises KFC, Pizza Hut, and other brand outlets operated in Nepal and Nigeria. Lastly, the "Other Business" vertical includes other F&B industry operations, including Vaango and Food Street brand stores.

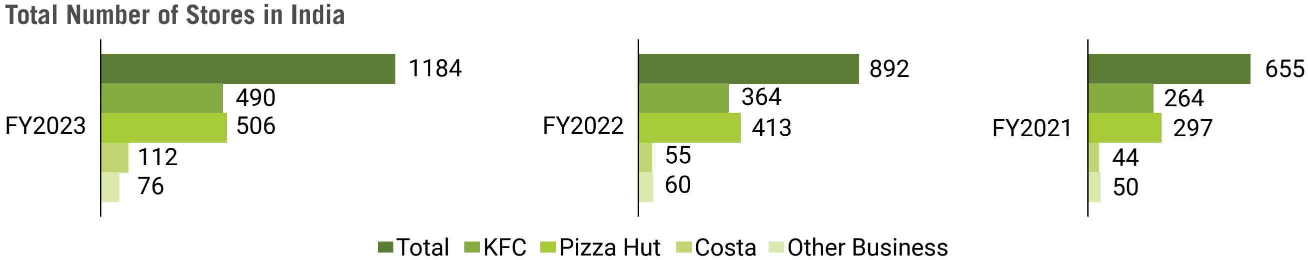
Since 1997, DIL has had a longstanding partnership with Yum India, starting with the launch of its first Pizza Hut store in Jaipur. Over time, DIL expanded its operations to include franchises of both KFC and Pizza Hut. As of March 31, 2023, DIL operates 490 KFC stores and 506 Pizza Hut stores across the country. Additionally, DIL has 112 Costa Coffee stores under its operations, as of the same date. Despite challenging market conditions, DIL has consistently expanded its store network over the years. Its overall store count grew 33% from 938 stores as of March 31, 2022, to 1,243 stores as of March 31, 2023.

KEY BRANDS AND VERTICALS

	India				International	
Vertical	QSR	QSR	Coffee	QSR	QSR	
Brands	KFC	Pizza Hut	COSTA COFFEE	Vaango! Dosas Idlis & More & Other Brands	KFC Nepal & Nigeria	Pizza Hut Nepal
Stores*	490	506	112	76	59	

**Number of stores as of March 31, 2023*

Total Number of Stores in India



DIL'S CORE BRANDS' GROWTH IN INDIA

Year	Stores	Revenue [1]
FY21	264	6,443
FY22	364	12,189
FY23	490	17,714

DIL operates as the franchise partner of Yum for KFC in India and holds the exclusive franchise partnership for KFC in Nepal and Nigeria through its subsidiaries. KFC, a worldwide chicken restaurant brand, has a presence in over 145 countries and territories with more than 25,000 restaurants.

Year	Stores	Revenue [1]
FY21	297	2,879
FY22	413	5,318
FY23	506	6,997

DIL serves as the franchise partner of Yum for Pizza Hut in India. Pizza Hut, the leading global pizza company, focuses on offering delicious, ready-to-eat pizzas. Pizza Hut operates in various segments, including delivery, carry-out, and casual dining, with a presence in over 100 countries and a network of more than 18,000 restaurants worldwide.

Year	Stores	Revenue [1]
FY21	44	214
FY22	55	411
FY23	112	1,018

DIL is a franchisee of the popular coffee shop chain Costa Coffee in India. Costa Coffee is a well-known global brand with over 3,800 coffee shops spread across 32 countries around the world. As a franchisee, DIL has the license to operate Costa Coffee outlets in India and offer their range of beverages and food items to customers.

Notes: (1) ₹ Million

KEY DEVELOPMENTS DURING THE YEAR

- **Significant Milestones**
  - Consolidated revenues of the Company have reached ~ ₹ 30,000 Million.
  - We now operate 1,243 stores across our portfolio of brands and countries, more than doubling over the last three years.
  - Both KFC and Pizza Hut crossed important store milestones of 500 stores each & Costa Coffee has crossed 100 stores as of March 31, 2023.
  - The Company was awarded the 'Explosive Restaurant Growth Award' by Yum Global at the International Franchise Conference 2022 held in Singapore.
  - Recognition as the 'Most Accessible Fastest Growing Brand' at Yum EFTS Conference.
- **Addition of stores**
  - DIL continues to accelerate expansion across markets, enabling customers to experience its multi-dimensional and globally renowned brand portfolio.
  - In FY2023, the Company added 289 stores (net) across Core Brands, taking the total restaurant count to 1,165 as of March 31, 2023.

BUSINESS STRENGTHS

Competent Leadership

- Spanning over 30 years of rich experience, Mr. Ravi Jaipuria is a seasoned entrepreneur who has demonstrated exceptional skills in conceiving, leading, building, and expanding food, beverage, and dairy enterprises across South Asia and Africa.
- DIL's Board of Directors comprises accomplished and proficient individuals with diverse backgrounds in finance and business, bringing a wide range of expertise to the table and ensuring the organization's continued success.

Assortment of Distinctive Brands

- Robust assortment of rapidly expanding brand names, such as KFC, Pizza Hut, Costa Coffee, Food Street, and Vaango, comprise a formidable brand portfolio.
- Multiple brands serving a broad spectrum of culinary categories signify the company's versatility and adaptability.

Versatile QSR Competitor

- DIL's solid relationship with Yum, coupled with their expertise in technology, marketing, and operations, have empowered them to establish themselves as an all-encompassing contender in the Indian QSR market.

Robust Operational Performance

- Leveraging economies of scale, operational synergies can be achieved across multiple brands, resulting in significant benefits in central costs.
- Efficient cost structures established to capitalize on brand synergies, thereby improving overall operational performance.

- Adoption of innovative strategies can lead to enhanced store economics and cost efficiencies, resulting in improved operating performance and a healthier bottom line.

Focus on Scaling-up Stores Pan-India

- As of March 31, 2023, DIL has 1,184 stores across all brands in 27 states and 2 union territories across 242 cities in India.
- Added a record total of 292 net new stores during FY2023, led by 93 stores for Pizza Hut, 126 stores for KFC and 57 stores for Costa Coffee.
- Expanded footprint to nearly 38 new cities in FY2023.

Resilient Financial Performance

- Healthy Revenue from operations came in at ₹ 29,977 million despite a dynamic & challenging macro-environment.
- Consistent all round performance across all Core Brands.
- Recorded steady profitability; PAT at ₹ 2,625 million vs ₹ 1,551 million in FY2022.

FINANCIAL OVERVIEW

- In the backdrop of a challenging macro environment that affected consumer sentiment and demand in FY2023, DIL has delivered an encouraging performance across all key operational and financial metrics.
- In FY2023, DIL achieved its highest-ever store openings, adding 305 net new stores across markets. This, coupled with the strength of DIL's diverse brands, resulted in a robust year-on-year revenue growth of 44% to ₹ 29,977 million, compared to ₹ 20,840 million in the previous year.
- Gross profits saw a 41% year-on-year increase to ₹ 20,992 million, as opposed to ₹ 14,842 million in FY2022. The profitability of individual stores also benefited from higher sales and ongoing cost-saving initiatives.
- Brand contribution margin, an important performance indicator, 18.7% in FY2023 compared to 19.9% in FY2022. contributed to a record-breaking pre-IndAS EBITDA of ₹ 4,348 million, with margins to 14.5% from 14.4% the previous year.
- Net profits from continuing business for the year reached ₹ 2,625 million, surpassing the ₹ 1,551 million achieved in FY2022.

(₹ in Million)

Particulars	FY23	FY22	YoY Growth
Revenue	29,977	20,840	44%
Gross Profit	20,992	14,842	41%
EBITDA	6,551	4,761	38%
Depreciation	2,788	2,213	26%
Finance Cost	1,475	1,270	16%
PAT	2,625	1,551	69%

For key financial ratios and changes, refer to Note No. 55 of the Standalone Financial Statements.

CORPORATE SOCIAL RESPONSIBILITY AND SPECIAL INITIATIVES

The Board of Directors of your Company has established a CSR committee and implemented a CSR policy. This policy authorizes the Company to undertake initiatives to eliminate hunger and poverty, promote education, employment, training, and rural development activities.

Over the years, your Company has been committed to creating a fair, inclusive, and diverse workplace for its employees, recognizing their importance as valuable assets. Additionally, the Company has invested in outlets managed by a group of specially-abled employees, who are remunerated and provided with equal growth opportunities as other employees. Your Company continues to encourage these employees to develop the necessary skills to perform efficiently in their current roles and improve them for potential career advancements.

HUMAN RESOURCES

As of March 31, 2023, DIL employs a total of 16,876 individuals, with 16,118 based in India and 758 located outside of India. All store personnel within the Company are trained to comply with Yum's certification standards, with the help of experts who ensure adherence to franchise agreements, manuals, and operational requirements. This training includes on-the-job assessments, web-based modules, and mandatory courses on fire safety and general functions. Regular training audits are conducted to ensure compliance. Customized training modules are provided for different positions, with additional, more specific training offered to area managers.

Your Company does not have any labor union representation or collective wage negotiating contract for its employees. It hires part-time staff to handle peak-hour workloads and also collaborates with third-party manpower and service organizations to provide contract workers for specific store services, including security. The number of contract workers employed is primarily determined by the type and extent of work assigned to external contractors on a regular basis.

DIL places a strong focus on diversity in its business operations and has opened women-only stores across its core brands, including KFC, Pizza Hut, and Costa. As of March 31, 2023, the Company operates over 29 women-only stores and 18 stores staffed by specially-abled employees. These initiatives are designed to provide greater opportunities for diversity hires to take on significant roles within the organization.

AWARDS & RECOGNITIONS DURING THE YEAR

- 'Explosive Restaurant Growth Award' by Yum Global at the International Franchise Conference 2022
- 'Most Accessible Fastest Growing Brand' at Yum EFTS Conference Asia

OUTLOOK & STRATEGY

DIL is confident about its growth prospects in the upcoming year, despite ongoing challenges in the macroeconomic environment. The Company believes that its strategic priorities and operational excellence will enable it to capitalize on significant opportunities within the food services industry in India.

The Company will continue to focus on expanding its store footprint across the Core Brands while maintaining a strong emphasis on unit-level performance to drive growth in its delivery business. Additionally, the Company will prioritize investment in technology to enhance its digital capabilities and stay ahead of changing consumer trends. The Company's brands are uniquely positioned to cater to young Indian consumers and their dining preferences, and DIL is committed to staying attuned to their evolving needs. With a strong track record of resilience and adaptability, DIL is confident that it can navigate the current market conditions with agility and emerge stronger. Overall, the Company remains excited about the future and is committed to delivering sustainable growth for all stakeholders in the years to come.

Expanding Brand Presence - DIL is expanding its reach beyond metro and tier-one cities, aiming to establish a strong presence in high-potential markets across India. With a focus on safety and hygiene, the Company is strategically expanding its store network of Core Brands to tap into the growing demand for organized players in the food services industry.

Streamlining Operations - DIL is committed to enhancing customer experience and improving business efficiency through strategic store expansion, efficient management of unit-level economics, and cost optimization. By increasing the number of outlets, the Company can spread fixed overhead expenditures and improve profitability.

Strengthening Distribution - DIL plans to improve delivery performance and establish synergies between its stores and delivery services. The Company also plans to open more Pizza Hut and KFC outlets focused on delivery, while expanding collaboration with delivery aggregators to capitalize on the growing online delivery segment.

Strong Product Innovation - DIL's constant focus on product innovation and new launches has resulted in increased consumer salience across its core brands, with several new launches already seeing strong consumer acceptance. The upcoming launch of a new range of drinks and refreshers by Costa Coffee is just one example of DIL's commitment to staying ahead of the curve.

Technology Integration - DIL recognizes the importance of digitization, automation, artificial intelligence, and machine learning in connecting internet traffic with its offline resources. As such, DIL is committed to accelerating its investment in end-to-end digitization to improve operational efficiency and enhance the overall customer experience.

RISK MANAGEMENT, AUDIT AND INTERNAL CONTROL

DIL has implemented effective internal control mechanisms that are well-equipped to handle the diverse nature of its business and the complexities of the market it operates in. These stringent standards and comprehensive measures ensure the optimal utilization of resources while safeguarding the company's assets and interests. All transactions are duly authorized, recorded, and accurately reported, thanks to checks and balances that maintain the reliability and consistency of accounting data. To further strengthen these efforts, your Company has established an Audit, Risk Management, and Ethics Committee, responsible for overseeing internal audits and periodic evaluations to ensure compliance with the highest standards. The Company has engaged Walker Chandiok & Co LLP, Chartered Accountants, and O P Bagla & Co LLP, Chartered Accountants, as the joint statutory auditors to assess the financial controls of the Company. The Audit, Risk Management and Ethics Committee of the Board of Directors inter-alia monitors and reviews the risk management plan. We have a robust Risk Management Policy to identify and evaluate business risks and opportunities and to guide the Company in effectively mitigating the various business and operational risks, through strategic actions.

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

Risk Factor	Description	Mitigation Strategies
Business Risk	Demand slowdown due to external environment	• Company has a tiered menu structure for its Brands with products across a wide range of price points, thus appealing to a large population of customers. • With continuous product and menu innovation, Company has been able to provide value offerings in a cost-effective manner, thereby limiting the impact of input cost inflation.
	Sales variation on account of seasonality/ festivals	• Based on analysis of historical trends and close monitoring of market dynamics, Company is able to estimate near-term demand trends. • These estimates are used to formulate operational strategy to ensure business is able to capitalize on demand surge and also be adequately prepared to mitigate demand downturn
	Risks arising out of planning, reporting or day-to-day management process.	• Company has a well-defined and articulated organization structure. This enables clear and quick communication & information flow. • Company has also worked on creation adequate management depth within functions to allow uninterrupted operations even in case of non-availability of functional heads.
Market & Industry Risk	Supply Risk	• Develop regional vendor base through identification and due empanelment with Franchisee (Yum! Or Costa). This helps in de-risking business from vendor concentration risk. • Judicious use to long-term contracts to lock-in favorable prices and insulate business from transient pricing issues. • Strong inventory controls to allow real-time visibility of raw material and help in better demand forecasting.
Human Capital	Ensuring business has a talented pool of employees	• Formation and implementation of proper recruitment policy for recruitment of personnel at various levels in the organization. Objective appraisal system. • Employee Training at regular intervals to upgrade their skills.
IT Risk	Ensuring our systems are scalable and operate reliably	• Repair and upgradation of systems on a continuous basis by personnel who are trained in software and hardware. • Password protection at different levels to ensure data integrity. • Licensed software to be used in the systems. Ensure access control/ restrictions for regulated access to data on a need basis with due authorization.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

SECTION A: GENERAL DISCLOSURE

I. Details of the Listed Entity

S. No.	DETAILS OF LISTED ENTITY	PARTICULARS
1.	Corporate Identity Number (CIN) of the Listed Entity:	L15135DL1991PLC046758
2.	Name of the Listed Entity:	Devyani International Limited
3.	Year of incorporation:	1991
4.	Registered office address:	F-2/7, Okhla Industrial Area, Phase-I, New Delhi-110020
5.	Corporate address:	Plot No.-18, Sector-35, Gurugram-122004, Haryana
6.	E-mail	companysecretary@dil-rjcorp.com
7.	Telephone	+91-124-4566300
8.	Website	https://dil-rjcorp.com
9.	The financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited and BSE Limited
11.	Paid-up Capital (₹)	1,20,49,61,378
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR	Mr. Gaurav Gupta, Head of Finance gupta.gaurav@dil-rjcorp.com +91-124-4566300
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together):	Disclosures made in this report are on Standalone basis and pertain only to Devyani International Limited

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Operator of Quick Service Restaurant	Food, Beverages and Restaurant business	99.14

15. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/Service	NIC Code	% of Total Turnover Contributed
1.	Food & Beverage Service Activities	Division 56	99.14
a.	Restaurants & Mobile Food Services	Group 561	
b.	Event Catering & Other Food Service Activities	Group 562	
c.	Beverage Service Activities	Group 563	

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	NA	1 Registered Office 1 Corporate Office	2
International	NA	NA	NA

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	29
International serving through its Subsidiary (No. of Countries)	2

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Nil

c. A brief on types of customers

Devyani International Limited operates majorly in the B2C segment through quick service restaurants. Our customer base includes people across all age groups and across various geographies across India.

IV. Employees

18. Details as at the end of Financial Year:

1. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1	Permanent (D)	15,685	11,380	73%	4,305	27%
2	Other than Permanent (E)	NA	NA	NA	NA	NA
3	**Total employees (D + E)**	**15,685**	**11,380**	**73%**	**4,305**	**27%**
WORKERS						
4	Permanent (F)	NA	NA	NA	NA	NA
5	Other than Permanent (G)	NA	NA	NA	NA	NA
6	**Total workers (F + G)**	**NA**	**NA**	**NA**	**NA**	**NA**

2. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	94	82	87%	12	13%
2	Other than Permanent (E)	NA	NA	NA	NA	NA
3	**Total employees (D + E)**	**94**	**82**	**87%**	**12**	**13%**

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	12	1	8%
Key Management Personnel*	3	-	-

** includes two board members.*

20. Turnover rate for permanent employees and workers

	FY 2023			FY 2022			FY 2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees#	27%	24%	26%	20%	18%	20%	47%	48%	48%

 # For employees at corporate office.

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	RJ Corp Limited	Holding	59.32	No
2.	Devyani Food Street Private Limited	Subsidiary	100	
3.	Devyani Airport Services (Mumbai) Private Limited	Subsidiary	100	
4	Devyani International Nepal Private Limited	Subsidiary	100	
5	RV Enterprizes Pte. Ltd.	Subsidiary	87	
6	Devyani International (Nigeria) Limited	Step-down Subsidiary	78.75	

VI. CSR Details

22. Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) : No

a. Turnover (in ₹): 18,523.72 (In Mn)

b. Net worth (in ₹): 6,889.24 (In Mn)

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2023			FY 2022		
	(If Yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	0	0	-	0	0	-
Investors (other than shareholders)	NA	0	0	-	0	0	-
Shareholders	Yes, through Share Transfer Agent or Stock Exchanges	17	0	-	5,255	0	-
Employees and workers	https://www.dil-rjcorp.com/wp-content/uploads/2022/10/Policy-for-Prevention-Prohibition-and-Redressal-of-Sexual-Harassment-at-Work-Place.pdf	1	1	Internal Complaint Committee is reviewing the same as per the Policy.	0	0	-
Customers	Yes	39,076	1,150	-	35,215	1,060	-
Value Chain Partners	Yes	0	0	-	0	0	-
Other (please specify)	No	0	0	-	0	0	-

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Supply Chain	Opportunity	Management of the supply chain to identify and mitigate the risks with the effective evaluation of supplier sustainability for ESG risks while also harnessing the opportunities of promoting the local suppliers and encouraging co-creation.	NA	Positive
2	Food Safety	Risk	To enable serving high quality meals by adhering to Food Safety standards to deliver customer satisfaction and compliance with applicable laws.	We ensure strict adherence to the food safety standards across the stores.	Negative
3	Energy Management	Opportunity	Mainstreaming the energy efficiency and environmental conservation measures across all areas of operations.	NA	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

P1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
P2	Businesses should provide goods and services in a manner that is sustainable and safe.
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains.
P4	Businesses should respect the interests of and be responsive to all its stakeholders.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect and make efforts to protect and restore the environment.
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
P8	Businesses should promote inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Questions			P1 (Please refer Point P1)	P2 (Please refer Point P2)	P3 (Please refer Point P3)	P4 (Please refer Point P4)	P5 (Please refer Point P5)	P6 (Please refer Point P6)	P7 (Please refer Point P7)	P8 (Please refer Point P8)	P9 (Please refer Point P9)
Policy and management processes											
1.	a.	Whether your company's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b.	Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c.	Web Link of the Policies, if available	All employee related policies are uploaded on the intranet portal of the Company for communication and implementation. Other policies are uploaded on the Company' website i.e. **https://dil-rjcorp.com/policies/**								
2.		Whether the company has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.		Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, anti-bribery policy covers value chain partners								
4.		Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, and Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your company and mapped to each principle.	-	Rainforest Alliance	-	-	-	Rainforest Alliance	-	-	Rainforest Alliance
5.		Specific commitments, goals and targets set by the company with defined timelines, if any.	The Company is dedicated towards providing long-term sustainable value to its stakeholders. While the Company is still in the process of defining targets, it is however taking conscious efforts to promote a sustainable way of living by providing highest quality of products and eco-friendly packaging.								
6.		Performance of the company against the specific commitments, goals and targets along-with reasons in case the same are not met.	NA								
Governance, leadership and oversight											
7.		Statement by director responsible for the business responsibility report, highlighting ESG challenges, targets and achievements (listed company has flexibility regarding the placement of this disclosure)	The Company is striving towards setting - up targets for ESG and commited to achieve to them in near future.								
8.		Details of the highest authority responsible implementation and oversight of the Business Responsibility policy (ies).	Mr. Virag Joshi, Whole Time Director & Chief Executive Officer Mr. Manish Dawar, Whole Time Director & Chief Financial Officer (BR Head).								
9.		Does the company have a specified Committee of the Board/ Director responsible for decision making on Sustainability related issues? (Yes / No). If yes, provide details.	The Company has a committee on sustainability led by the Company's Director and CEO and one whole time director & Chief Financial Officer (BR Head).								

10. **Details of review of NGRBCs by the Company:**

Subject for review	Indicate whether review was undertaken by the Director/Committee of the Board/Any other Committee					Frequency (Annually/ Half-yearly/ Quarterly/ Any other – please specify)			
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	All the policies of the Company, as approved by the Board, are reviewed periodically or on need basis. The Company complies with the regulations, extant and principles as are applicable.								
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliance									

11. **Has the Company carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/ No) If yes, provide the name of the agency.**

P1	P2	P3	P4	P5	P6	P7	P8	P9
				No				

12. **If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The Company does not consider the principles material to its business (Yes/No)									
The Company is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)					NA				
The Company does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	4	Key Developments, Sustainability Initiatives, Regulatory updates, Review of policy & procedures	100%
Key Managerial Personnel	4	Key Developments, Sustainability Initiatives, Regulatory updates, Review of policy & procedures	100%
Employees other than BoD and KMPs	12 (Other than health and skill training)	Key policies including POSH, Code of conduct, insider trading regulations, Whistle Blower	15%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NA	NA	0	NA	NA
Settlement	1	Adjudicating Officer – Securities and Exchange Board of India	5,590,000	Pursuant to the settlement application filed by Mr Ravi Jaipuria in the matter of Varun Beverages Limited under the provisions of SEBI (settlement proceedings) Regulations, 2018, SEBI vide order dated June 21, 2022 disposed off the adjudication proceedings against him upon payment of ₹ 55,90,000 without admission of guilt/default.	No
Compounding fee	NA	NA	0	NA	NA

Non-Monetary	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA	NA	NA	NA
Punishment	NA	NA	NA	NA

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

NA

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, the Company has a stringent anti-bribery policy as a statement of the business commitment to integrity and high moral standards based on a zero-tolerance policy. The Company and its subsidiaries, affiliates, associates and group companies, their directors, officers and employees and suppliers, ensure strict compliance with the policy. Officials are prohibited from giving or receiving bribes to any Government Officials or any other person or entity, including any person or entity in the private or commercial sector, if the payment is intended to induce the recipient to misuse his or her position and thereby give an unfair advantage to the Company. The policy is available on the intranet portal of the Company.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2023	FY 2022
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

	FY 2023		FY 2022	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

NA

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2023	FY 2022	Details of improvements in environmental and social impacts
R&D	Nil	Nil	NA
Capex	Nil	Nil	NA

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes. Costa Coffee procures coffee beans from 100% Rainforest certified farms in India and the quality of the green beans is checked by the Costa Global team. We are using paper-based packaging that is made of fibre from recycled sources. We are also working towards ensuring that antibiotic presence in our food supply chain is minimized.

b. If yes, what percentage of inputs were sourced sustainably?

Due to large number of suppliers, including a few belonging to the MSME segment, it is impractical to accurately estimate the percentage of inputs sourced sustainably. However, the suppliers follow our Supplier Code of Conduct wherein they abide by all provisions relating to the impact on quality and food safety, sustainability, waste, and work environment which includes labor practices, human rights and prohibition of child & slave labor.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

In our restaurants, the Company has removed plastic packaging substantially. The Company endeavours to recycle its plastic and e–waste through authorized/certified vendors.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same

The Company is evaluating the applicability considering the nature of its business.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	11,380	11,380	100%	11,380	100%	-		11,380	100%	NA	
Female	4,305	4,305	100%	4,305	100%	4,305	100%	-	-	NA	
Total	**15,685**	**15,685**	**100%**	**15,685**	**100%**	**4,305**	**27%**	**11,380**	**73%**	**NA**	
Other than Permanent employees											
Male	NA										
Female											
Total											

b. Details of measures for the well-being of workers:

NA

2. Details of retirement benefits, for Current FY and Previous Financial Year

Benefits	FY 2023			FY 2022		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	NA	Y	100%	NA	Y
Gratuity	100%	NA	Y	100%	NA	Y
ESI	86%	NA	Y	87%	NA	Y
Others – please specify	NA					

3. Accessibility of workplace

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Some of the Company's facilities and the stores are accessible to specially-abled persons as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company supports providing equal opportunities and prohibits discrimination in areas of employment, including hiring, promoting, transfers, etc.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave-FY 2023.**

Gender	Permanent employees	
	Return to work rate	Retention rate
Male	NA	NA
Female	95%	89%
Total	95%	89%

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	
Permanent Employees	The Company has a grievance redressal mechanism in place for its employees which gives them a way to voice their concerns arising from employment.

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity**

NA

8. **Details of training given to employees and workers:**

Category	FY 2023					FY 2022				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	11,380	10,235	90%	10,235	90%	9,071	8,197	90%	8,197	90%
Female	4,305	4,228	98%	4,228	98%	3,003	2,941	98%	2,941	98%
Total	**15,685**	**14,463**	**92%**	**14,463**	**92%**	**12,074**	**11,138**	**92%**	**11,138**	**92%**

9. **Details of performance and career development reviews of employees and worker:**

Category	FY 2023			FY 2022		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	11,380	11,380	100%	9,071	9,071	100%
Female	4,305	4,305	100%	3,003	3,003	100%
Total	**15,685**	**15,685**	**100%**	**12,074**	**12,074**	**100%**

10. **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?**

Yes, the Company has a process in place to ensure safety of its permanent employees across its operations. The Company places utmost importance on fostering a safe work environment. Our stores are equipped with safety infrastructure.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The Company has regular review mechanism.

c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

The Company encourages employees to raise their concern regarding working conditions, human rights, etc.

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

The Company has processes in place, which endeavors to ensure safety of its employees across its operations. Our stores are equipped with safety infrastructure.

11. **Details of safety-related incidents, in the following format:**

Safety Incident/Number	Category	FY 2023	FY 2022
Lost Time Injury Frequency Rate (LTIFR) (per one-million-person hours worked)	Employees	Not Available	Not Available
	Workers	NA	NA
Total recordable work-related injuries	Employees	4	3
	Workers	NA	NA
No. of fatalities	Employees	0	0
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	NA	NA

12. **Describe the measures taken by the entity to ensure a safe and healthy work place.**

1. Conducting Safety awareness program (emergency preparedness plan, fire safety, first-aid training, etc.)
2. Training program for operations
3. Safety audit by external party(ies)
4. Periodic check of equipments
5. Other trainings/sessions (yoga sessions, counselling sessions)

13. **Number of Complaints on the following made by employees and workers:**

	FY 2023			FY 2022		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	-	Nil	Nil	-
Health & Safety	Nil	Nil	-	Nil	Nil	-

14. **Assessments for the year.**

	% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)
Health and safety practices	-
Working Conditions	-

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions**

NA

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all their stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   DIL's key stakeholders include management, employees, suppliers, customers and industry association, who continuously add value to its business and also have a significant influence on the Company's decisions which impact environment, economy and society.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders, Investors & Management	No	General Meetings, Board Meetings, Investors Calls	Ongoing	Business Performance, Financial Results, Risk Management
Employees	No	Email, Communications, Employee engagement activities, Trainings etc.	Ongoing	Talent Management, Employee Engagement, Trainings & Skill Development etc.
Suppliers	No	Supplier Meets	Ongoing	Timely payment, Business relationship, Quality
Retailers/ Consumers	No	Surveys, Marketing activities and social media	Ongoing	Food quality, Dining experience, Food services

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2023			FY 2022		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Permanent	15,685	1,930	12%	12,074	1,210	10%
Other than permanent	NA	NA	NA	NA	NA	NA
Total Employees	**15,685**	**1,930**	**12%**	**12,074**	**1,210**	**10%**

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2023					FY 2022				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	**15,685**	**10,668**	**68%**	**5,017**	**32%**	**12,074**	**8,344**	**69%**	**3,730**	**31%**
Male	11,380	7,217	63%	4,163	37%	9,071	5,875	65%	3,196	35%
Female	4,305	3,451	80%	854	20%	3,003	2,469	82%	534	18%
Other than Permanent										
Male	NA									
Female										

3. **Details of remuneration/salary/wages, in the following format (₹ in millions)**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BOD)	8	150.65	1	1.2
Key Managerial Personnel*	3	96.08	0	0
Employees other than BOD and KMP	3,776	0.25	733	0.20

** Includes two Board Members*

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

   Employees can reach out to HR team to address their concerns & the Company also has a grievance redressal mechanism.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues**

   The Company pledges to uplift the dignity of every person working for or affiliated with it and has zero tolerance policy for any kind of discrimination. We have an internal grievance redressal mechanism through which grievance get redressed.

6. **Number of Complaints on the following made by employees and workers:**

	FY 2023			FY 2022		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Sexual Harassment	1	1	Internal Complaint Committee is reviewing the same as per the Policy.	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

As part of Prevention of Sexual Harassment (POSH) Policy of the Company, the identity of the complainant is protected. All such matters are dealt in strict confidence.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, as per applicable laws.

9. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Nil
Forced/involuntary labour	Nil
Sexual harassment	Nil
Discrimination at workplace	Nil
Wages	Nil
Others – please specify	Nil

10. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.**

NA

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	Unit	FY 2023	FY 2022
Total electricity consumption (A)	GJ	2,87,739	1,80,306
Total fuel consumption (B)	GJ	51,585	23,111
Energy consumption through other sources (C)	-	-	
Total energy consumption (A+B+C)	GJ	3,39,324	2,03,417
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	GJ/ INR Million	12.72	10.98

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

NA

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023	FY 2022
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third-party water (Municipal water supplies)	22,956	10,610
(iv) Seawater / desalinated water	-	-
(v) Others - Produced water; (Drinking Water)	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	22,956	10,610
The total volume of water consumption (in kilolitres)	22,956	10,610
Water intensity per million rupees of turnover (liters of Water consumed / Turnover in Mn INR)	0.86	0.57

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Company has adopted various water management practices for effective consumption of water avoiding any wastage and encouraging reduce, reuse and recycle wherever possible across its operations.

5. Please provide details of air emissions (other than GHG emissions) by the entity,

Currently, the Company is not mapping its air emissions.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

NA

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity,

Currently, the Company is not mapping its GHG emissions.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The Company has initiated various measures to increase its energy efficiency. One such initiative being use of electric vehicles for delivery of its products to consumers.

8. Provide details related to waste management by the entity,

The waste management is managed by third party vendors who ensure safe disposal of the waste generated.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

NA

The Company understands that appropriate disposal of waste generated from its operations is one of the most significant aspect of sustainability in a quick service restaurant industry. The Company ensures that any waste generated containing food, cooking oil, packaging, etc is disposed of in accordance with the applicable rules.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/clearances are required,

NA

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

NA

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

1

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	National Restaurant Association of India (NRAI).	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

NA

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year

NA

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity,

NA

3. Describe the mechanisms to receive and redress grievances of the community

The Company is committed to the social and economic upliftment of the communities in which it operates. Stakeholders suggestions can be emailed to the Compliance Officer at **companysecretary@dil-rjcorp.com**

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023
Directly sourced from MSMEs/ small producers	29%
Sourced directly from within the district and neighbouring districts	NA

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback**

   The Company has a holistic customer experience approach to understand the behaviours, needs, expectations and grievances of individual customers through feedback links and surveys. This approach helps us understand not just the level of customer satisfaction but also areas of improvement to enrich customer experience.

2. **Turnover of products and/ services as a percentage of turnover from all products/services that carry information about:**

	As a percentage of total turnover
Environmental and social parameters relevant to the product	As QSR operator, the Company provide information on recycling to its customers
Safe and responsible usage	
Recycling and/or safe disposal	

3. **Number of consumer complaints in respect of the following:**

	FY 2023			FY 2022		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	NIL	NIL	-	NIL	NIL	-
Advertising	NIL	NIL	-	NIL	NIL	-
Cyber-security	NIL	NIL	-	NIL	NIL	-
Delivery of essential services	NIL	NIL		NIL	NIL	
Restrictive Trade Practices	NIL	NIL	-	NIL	NIL	-
Unfair Trade Practices	NIL	NIL	-	4	4	-
Other	39,076	1,150		35,215	1,060	

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	NA	
Forced recalls		

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web link to the policy.**

   Yes, DIL has a robust IT and Cybersecurity policy in place which outlines the appropriate measures through which the Company facilitates secure and reliable flow of information, both within and outside the Company. In line with the policy, the Company undertakes steps to proactively identify and assess any potential risks and take measures to mitigate them. The policy is accessible to the employees on the Company's intranet.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

   NIL.

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Devyani International Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying consolidated financial statements of **Devyani International Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of one of the Joint auditors, O P Bagla & Co LLP and other auditors on separate financial statements of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2023, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of O P Bagla & Co LLP and the other auditors on separate financial statements of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill and non-financial assets Refer note 2.2 (f) of Summary of significant accounting policies and other explanatory information and the note 6, 30 and 42 of the consolidated financial statements of the Company for the year ended 31 March 2023. As at 31 March 2023, the Group is carrying goodwill amounting to INR 644.45 million and non-current assets aggregating to INR 23,622.25 million in its consolidated financial statements.	Our audit procedures for impairment assessment of goodwill and non-current assets included but were not limited to the following: a) Obtained an understanding of impairment of goodwill and non-financial assets process, evaluated the design, implementation and tested the operative effectiveness of key internal financial controls followed by the management to determine indicators of impairment and the recoverable amounts of CGUs;

Key audit matter	How our audit addressed the key audit matter
In accordance with the requirements of Ind AS 36 Impairment of Assets, the Company performs an impairment assessment of the cash generating units (CGUs) along with the impairment assessment of goodwill with specific group of CGUs to which it relates, in order to determine whether the recoverable value is below the carrying amount as at 31 March 2023. The management has determined that each store constitutes a separate CGU which is tested for impairment as above. For the purpose, the Group determines recoverable value of CGUs using Discounted Cash Flow Model (DCF Model) which require determination of certain assumptions and estimates of future trading performance, operating margins, future growth rates and discount rates. The assessment of the recoverable amount requires significant judgment relating to estimates of cash flow projections, growth rates and discount rates. Consequent to such impairment assessment the Group has recorded an impairment charge of INR NIL million against goodwill and impairment reversal of INR 5.40 million against non-current assets. Due to the significant level of judgments and subjectivity involved in determining recoverable amount and their significance to the Group's financial position, we have identified this as a key audit matter in the current year audit.	b) Evaluated appropriateness of identification of CGUs basis our understanding of the business and the model used in determining the value-in-use of the CGUs involving our valuation experts for assessment of valuation assumption for discount rates; c) Analyzed the performance of the CGUs and evaluated the reasonableness of the assumptions used in computation of business projections and value-in-use as at 31 March 2023 basis our understanding of the business including current and expected market and economic conditions, and benchmarked growth rates for projections used in approved business plans; d) Performed sensitivity analysis in respect of the key assumptions used including revenue growth rates and discount rate to verify appropriateness of such assumptions e) Tested the arithmetical accuracy of the computation of recoverable amounts of cash generating units; and f) Assessed the appropriateness of the disclosures included in note 6 and note 42 in respect of impairment of goodwill and non-financial assets.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions

of the Act the respective Board of Directors of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

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

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

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

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

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by O P Bagla & Co LLP and the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other Matter

15. We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of INR 4,473.83 million and net assets of INR (726.44) million as at 31 March 2023, total revenues of INR 3,509.65 million and net cash inflows amounting to INR (39.74) million for the year ended on that date, as considered in the consolidated financial statements. Out of above, financial statements of two subsidiaries, whose financial statements reflect total assets of INR 925.57 million and net assets of INR (413.14) million as at 31 March 2023, total revenues of INR 1,214.66 million and net cash inflows amounting to INR 12.37 million for the year ended on that date, as considered in the consolidated financial statements have been audited by O P Bagla & Co LLP. These financial statements of five subsidiaries have been audited by O P Bagla & Co LLP and other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the OP Bagla & Co LLP and other auditors.

    Further, of these five subsidiaries, three subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. O P Bagla & Co LLP and other auditor have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiaries located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by O P Bagla & Co LLP and other auditor.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of O P Bagla & Co LLP and the other auditors.

16. The audit of the consolidated financial statements of the Group for the year ended 31 March 2022 was carried out and reported jointly by APAS & Co LLP and Walker Chandiok & Co LLP, who have expressed an unmodified opinion vide audit report dated 02 May 2022 which has been furnished to OP Bagla & Co LLP, the incoming joint statutory auditor of the Group and has been relied upon by them for the purpose of their joint audit of the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the O P Bagla & Co LLP and other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries, we report that the Holding Company and two subsidiary companies incorporated in India covered under the Act, have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that

the provisions of section 197 read with Schedule V to the Act are not applicable to three subsidiary companies since none of such companies is a public company as defined under section 2(71) of the Act.

18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and for two subsidiary companies, by O P Bagla & Co LLP, as mentioned in paragraph 15 above, of companies included in the consolidated financial statements for the year ended 31 March 2023 and covered under the Act we report that:

Following are the qualifications/adverse remarks reported by us and O P Bagla & Co LLP in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2023 for which such Order reports have been issued by us and O P Bagla & Co LLP:

Sr No	Name	CIN	Holding Company / subsidiary	Clause number of the CARO report which is qualified or adverse
1	Devyani International Limited	L15135DL1991PLC046758	Holding Company	Paragraph 3(i)(c), (vii)(a) and (vii)(b)
2	Devyani Food Street Private Limited	U55101DL2009PTC193995	Subsidiary	Paragraph 3(vii)(b)
3	Devyani Airport Services (Mumbai) Private Limited	U55101DL2013PTC250959	Subsidiary	Paragraph 3(vii)(b)

19. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the O P Bagla & Co LLP on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of O P Bagla & Co LLP;

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

    e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies, covered under the Act, none of the directors of the Group companies are disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and

    g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of O P Bagla & Co LLP on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act:

        i. The consolidated financial statements disclose the impact of pending litigations on the financial position of the Group as detailed in note 39 to the consolidated financial statements;

        ii. The Holding Company and its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies covered under the Act, during the year ended 31 March 2023;

iv. a. The respective managements of the Holding Company and its subsidiary companies, incorporated in India whose financial statements have been audited under the Act have represented to us and O P Bagla & Co LLP - the auditors of such subsidiaries, respectively that, to the best of their knowledge and belief , as disclosed in note 52(c) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiary companies, incorporated in India whose financial statements have been audited under the Act have represented to us and O P Bagla & Co LLP - the auditors of such subsidiaries, respectively that, to the best of their knowledge and belief, as disclosed in the note 52(d) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Holding Company and its subsidiary companies incorporated in India, have not declared or paid any dividend during the year ended 31 March 2023; and

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Sandeep Mehta
Partner
Membership No. 099410
UDIN 23099410BGYGRX4882

Place: Gurugram
Date: May 17, 2023

For **O P Bagla & Co LLP**
Chartered Accountants
Firm Registration No: 000018N/N500091

Neeraj Kumar Agarwal
Partner
Membership No.: 094155
UDIN: 23094155BGXOQT9753

Place: Gurugram
Date: May 17, 2023

ANNEXURE I

List of entities included in the consolidated financial statements

Name of the holding company

1) Devyani International Limited

Names of subsidiaries

2) Devyani Food Street Private Limited
3) Devyani International (Nepal) Private Limited
4) Devyani Airport Services (Mumbai) Private Limited
5) RV Enterprizes Pte. Limited
6) Devyani International (Nigeria) Limited (subsidiary of RV Enterprizes Pte. Limited)

ANNEXURE A

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS OF DEVYANI INTERNATIONAL LIMITED UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ('THE ACT')

1. In conjunction with our audit of the consolidated financial statements of Devyani International Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the joint auditor, O P Bagla & Co LLP, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

OPINION

8. In our opinion and based on the consideration of the reports of O P Bagla & Co LLP on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

OTHER MATTER

9. We did not jointly audit the internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of INR 925.57 million and net assets of INR(413.14) million as at 31 March 2023, total revenues of INR 1,214.66 million and net cash inflows amounting to INR 12.37 million for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by O P Bagla & Co LLP whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of O P Bagla & Co LLP. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of O P Bagla & Co LLP.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Sandeep Mehta
Partner
Membership No. 099410
UDIN 23099410BGYGRX4882

Place: Gurugram
Date: May 17, 2023

For **O P Bagla & Co LLP**
Chartered Accountants
Firm Registration No: 000018N/N500091

Neeraj Kumar Agarwal
Partner
Membership No.: 094155
UDIN: 23094155BGXOQT9753

Place: Gurugram
Date: May 17, 2023

CONSOLIDATED BALANCE SHEET

As at 31 March, 2023

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

Particulars	Note	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	3A	9,469.75	6,114.62
Capital work-in-progress	3B	152.96	68.42
Right-of-use assets	4	12,257.60	8,910.64
Investment properties	5	352.74	351.00
Goodwill	6	644.45	644.45
Other intangible assets	7	1,542.16	1,534.71
Financial assets			
Other financial assets	8	790.92	663.00
Deferred tax assets (net)	33	963.29	482.25
Income tax assets (net)	33	389.60	166.59
Other non-current assets	9	223.12	328.29
Total non-current assets		**26,786.59**	**19,263.97**
Current assets			
Inventories	10	1,290.48	854.86
Financial assets			
(i) Trade receivables	11	289.07	210.54
(ii) Cash and cash equivalents	12	625.86	574.46
(iii) Bank balances other than cash and cash equivalents	13	225.57	84.36
(iv) Other financial assets	8	258.87	1,342.62
Other current assets	9	408.83	294.48
Total current assets		**3,098.68**	**3,361.32**
Total assets		**29,885.27**	**22,625.29**
Equity and liabilities			
Equity			
Equity share capital	14	1,204.96	1,204.74
Other equity	15	8,498.50	5,658.29
Equity attributable to owners of the Company		**9,703.46**	**6,863.03**
Non-controlling interests	48	(61.57)	(47.42)
Total equity		**9,641.89**	**6,815.61**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17	766.60	1,073.76
(ii) Lease liabilities	16	13,873.64	10,305.33
(iii) Other financial liabilities	19	45.93	41.31
Provisions	20	178.94	176.58
Other non-current liabilities	21	23.42	10.69
Total non-current liabilities		**14,888.53**	**11,607.67**
Current liabilities			
Financial liabilities			
(i) Borrowings	18	6.94	251.04
(ii) Lease liabilities	16	1,000.96	912.13
(iii) Trade payables	22		
(a) total outstanding dues of micro and small enterprises		226.74	173.06
(b) total outstanding dues of creditors other than micro and small enterprises		2,192.21	1,790.66
(iv) Other financial liabilities	19	1,230.47	624.78
Other current liabilities	21	522.97	309.66
Provisions	20	97.87	84.11
Current tax liabilities (net)	33	76.69	56.57
Total current liabilities		**5,354.85**	**4,202.01**
Total equity and liabilities		**29,885.27**	**22,625.29**

The accompanying notes form an integral part of these Consolidated financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sandeep Mehta
Partner
Membership no.: 099410

For **O P Bagla & Co LLP**
Chartered Accountants
Firm's Registration No.: 000018N/N500091

Neeraj Kumar Agarwal
Partner
Membership No.: 094155

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

Virag Joshi
Whole-time Director and CEO
DIN: 01821240

Raj Pal Gandhi
Director
DIN: 00003649

Manish Dawar
Whole-time Director and CFO
DIN: 00319476

Varun Kumar Prabhakar
Company Secretary
Membership No.: A30496

Place : Gurugram
Dated : May 17, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended 31 March 2023

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

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Income			
Revenue from operations	23	29,977.23	20,840.10
Other income	24	325.85	161.21
Total income		**30,303.08**	**21,001.31**
Expenses			
Cost of materials consumed	25	8,908.53	5,886.64
Purchases of stock-in-trade	26	77.76	111.83
Employee benefits expense	27	3,451.73	2,482.36
Finance costs	28	1,474.73	1,269.94
Depreciation and amortisation expense	29	2,787.59	2,213.33
(Reversal)/provision of impairment of non-financial assets	30	(5.40)	35.28
Other expenses	31	10,988.43	7,599.48
Total expenses		**27,683.37**	**19,598.86**
Profit before exceptional items and tax		2,619.71	1,402.45
Exceptional items	32	200.46	171.04
Profit before tax		**2,419.25**	**1,231.41**
Tax expense	33		
Current tax		274.93	66.77
Deferred tax credit		(480.82)	(386.51)
Total tax expense		**(205.89)**	**(319.74)**
Profit for the year		**2,625.14**	**1,551.15**
Other comprehensive income			
Items that will not to be reclassified to profit or loss			
Remeasurements of defined benefit plans		(3.19)	1.26
Income tax relating to above mentioned item	.	0.21	(0.04)
Items that will be reclassified to profit or loss			
Exchange differences arising on translation of foreign operations		73.43	140.19
Total Other comprehensive income for the year		**70.45**	**141.41**
Total comprehensive income for the year		**2,695.59**	**1,692.56**
Profit/(loss) attributable to:			
Owners of the Company		2,649.97	1,563.36
Non controlling interests	48	(24.83)	(12.21)
Other comprehensive income attributable to:			
Owners of the Company		59.77	103.32
Non controlling interests	48	10.68	38.09
Total comprehensive income/(loss) for the year attributable to:			
Owners of the Company		2,709.74	1,666.68
Non controlling interests	48	(14.15)	25.88
Earnings per share	34		
Basic (INR)		2.20	1.32
Diluted (INR)		2.19	1.32

The accompanying notes form an integral part of these Consolidated financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sandeep Mehta
Partner
Membership no.: 099410

For **O P Bagla & Co LLP**
Chartered Accountants
Firm's Registration No.: 000018N/N500091

Neeraj Kumar Agarwal
Partner
Membership No.: 094155

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

Virag Joshi
Whole-time Director and CEO
DIN: 01821240

Raj Pal Gandhi
Director
DIN: 00003649

Manish Dawar
Whole-time Director and CFO
DIN: 00319476

Varun Kumar Prabhakar
Company Secretary
Membership No.: A30496

Place : Gurugram
Dated : May 17, 2023

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH 2023

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

Particulars		For the year ended 31 March 2023	For the year ended 31 March 2022
A.	**Cash flows from operating activities**		
	Profit before tax	2,419.25	1,231.41
	Adjustments for:		
	Depreciation and amortisation expense	2,787.59	2,213.33
	(Reversal)/provision of impairment of non-financial assets	(5.40)	35.28
	Liabilities no longer required written back	(7.52)	(28.65)
	Loss on disposal of property plant and equipment	2.25	18.36
	Gain on extinguishment of financial liabilities	-	(32.53)
	Bad debts and advances written off	11.33	-
	Loss allowance	5.64	5.63
	Unrealised foreign exchange loss	95.56	140.77
	Finance costs	1,474.73	1,269.94
	Derivatives at fair value through profit and loss	-	(0.72)
	Employee stock option expense	109.35	64.87
	Interest income	(120.00)	(90.12)
	Gain on sale of current investment	(0.41)	-
	Gain on termination/modification of lease liabilities	(170.15)	(21.57)
	Rent concession [refer note 36 A (ii)]	-	(358.82)
	Operating profit before working capital changes	**6,602.22**	**4,447.18**
	Adjustments for changes in:		
	- trade receivables	(73.77)	(47.37)
	- inventories	(435.62)	(232.89)
	- loans, other financial assets, and other assets	(93.12)	(520.96)
	- trade payables, other financial liabilities and other liabilities	848.30	963.07
	Cash generated from operating activities	**6,848.01**	**4,609.03**
	Income tax paid (net)	(478.04)	(103.14)
	Net cash generated from operating activities	**6,369.97**	**4,505.89**
B.	**Cash flows from investing activities**		
	Payment for purchase of property, plant and equipment and other intangible assets	(4,373.07)	(3,062.50)
	Acquisition of non controlling interest in subsidiary	-	(0.74)
	Proceeds from sale of property plant and equipment	132.90	132.74
	Proceeds from term deposits	928.26	2.97
	Proceeds from sale of current investment (net)	0.41	-
	Term deposits made with banks	(235.78)	(915.32)
	Interest received	49.92	90.12
	Net cash used in investing activities	**(3,497.36)**	**(3,752.73)**

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH 2023

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

	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
C.	**Cash flows from financing activities**		
	Proceeds from issue of equity share capital	6.88	4,486.14
	Share application money received pending allotment	14.46	-
	Share issue expenses	-	(146.29)
	Proceeds from non-current borrowings	-	609.17
	Repayment of non-current borrowings	(609.17)	(3,729.28)
	Proceeds/(repayment) of cash credit facilities from banks (net)	2.37	(206.53)
	Payment of lease liabilities- principal	(814.88)	(366.35)
	Payment of lease liabilities- interest	(1,400.12)	(1,083.38)
	Interest paid	(26.55)	(146.99)
	Net cash used in financing activities	**(2,827.01)**	**(583.51)**
D.	**Effect of foreign currency fluctuation arising out of consolidation**	**5.80**	**5.19**
	Net increase in cash and cash equivalents during the year (A+B+C+D)	**51.40**	**174.84**
E.	**Cash and cash equivalents at the beginning of the year**	**574.46**	**399.62**
F.	**Cash and cash equivalents at the end of the year (refer note 12)**	**625.86**	**574.46**

Notes:

1. *The Consolidated Statement of Cash Flow has been prepared in accordance with 'Indirect method' as set out in the Ind AS - 7 on 'Statement of Cash Flows', as notified under Section 133 of the Companies Act, 2013, read with the relevant rules thereunder.*
2. *Significant non-cash transactions: acquisition of right-of-use assets and investment properties (refer note 4 and 5).*

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sandeep Mehta
Partner
Membership no.: 099410

For **O P Bagla & Co LLP**
Chartered Accountants
Firm's Registration No.: 000018N/N500091

Neeraj Kumar Agarwal
Partner
Membership No.: 094155

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

Virag Joshi
Whole-time Director and CEO
DIN: 01821240

Raj Pal Gandhi
Director
DIN: 00003649

Manish Dawar
Whole-time Director and CFO
DIN: 00319476

Varun Kumar Prabhakar
Company Secretary
Membership No.: A30496

Place : Gurugram
Dated : May 17, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

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

A. EQUITY SHARE CAPITAL

	Note	As at 31 March 2023		As at 31 March 2022	
		Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year		1,204,736,378	1,204.74	1,153,634,990	1,153.63
Issue of equity share capital	14	225,000	0.22	51,101,388	51.11
Balance at the end of the year		**1,204,961,378**	**1,204.96**	**1,204,736,378**	**1,204.74**

B. OTHER EQUITY

	Attributable to owners of the Company									
	Reserves and Surplus					Items of Other comprehensive income		Total attributable to owners of the Company	Attributable to Non controlling interest (NCI)	Total
	Share application money pending allotment	Securities premium	Employee stock options outstanding account	General reserve	Retained earnings	Exchange difference of translation of foreign operations	Other item of other comprehensive income *			
Balance as at 01 April 2021		**8,126.54**	**14.40**	**5.47**	**(8,874.67)**	**712.36**	**-**	**(15.90)**	**(419.15)**	**(435.05)**
Profit/(Loss) for the year	-	-	-	-	1,563.36	-	-	1,563.36	(12.21)	1,551.15
Other comprehensive income for the year	-	-	-	-	-	102.39	0.93	103.32	38.09	141.41
Total comprehensive income for the year		**-**	**-**	**-**	**1,563.36**	**102.39**	**0.93**	**1,666.68**	**25.88**	**1,692.56**
Securities premium received during the year	-	4,435.03	-	-	-	-	-	4,435.03	-	4,435.03
Share issue expenses (refer note 51)	-	(146.29)	-	-	-	-	-	(146.29)	-	(146.29)
Employee stock options expense	-		64.87		-	-	-	64.87	-	64.87
Transferred to retained earnings	-	-	-	-	0.93	-	(0.93)	-	-	-
Transferred to securities premium on exercise of stock options	-	35.00	(35.00)	-	-	-	-	-	-	-
Transactions with NCI	-	-	-	-	(346.10)	-	-	(346.10)	345.36	(0.74)
Contribution during the period	-	-	-	-	-	-	-	-	0.49	0.49
Balance as at 31 March 2022	**-**	**12,450.28**	**44.27**	**5.47**	**(7,656.48)**	**814.75**	**-**	**5,658.29**	**(47.42)**	**5,610.87**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

	Attributable to owners of the Company									
	Reserves and Surplus					Items of Other comprehensive income				
	Share application money pending allotment	Securities premium	Employee stock options outstanding account	General reserve	Retained earnings	Exchange difference of translation of foreign operations	Other item of other comprehensive income *	Total attributable to owners of the Company	Attributable to Non controlling interest (NCI)	Total
Balance as at 31 March 2022	-	12,450.28	44.27	5.47	(7,656.48)	814.75	-	5,658.29	(47.42)	5,610.87
Profit/(loss) for the year	-	-	-	-	2,649.97	-	-	2,649.97	(24.83)	2,625.14
Other comprehensive income/(loss) for the year	-	-	-	-	-	63.51	(3.74)	59.77	10.68	70.45
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**2,649.97**	**63.51**	**(3.74)**	**2,709.74**	**(14.15)**	**2,695.59**
Securities premium received during the year	-	6.66	-	-	-	-	-	6.66	-	6.66
Share application money received	14.46	-	-	-	-	-	-	14.46		14.46
Transferred to retained earnings	-	-	-	-	(3.74)	-	3.74	-	-	-
Employee stock options expense	-	-	109.35	-	-	-	-	109.35	-	109.35
Transferred to securities premium on exercise of stock options	-	2.99	(2.99)	-	-	-	-	-	-	-
Balance as at 31 March 2023	**14.46**	**12,459.93**	**150.63**	**5.47**	**(5,010.25)**	**878.26**	**-**	**8,498.50**	**(61.57)**	**8,436.93**

** Other comprehensive income represents remeasurement of defined benefit plans*

The accompanying notes form an integral part of these Consolidated financial statements.
As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sandeep Mehta
Partner
Membership no.: 099410

For **O P Bagla & Co LLP**
Chartered Accountants
Firm's Registration No.: 000018N/N500091

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Partner
Membership No.: 094155

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

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Whole-time Director and CEO
DIN: 01821240

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Director
DIN: 00003649

Manish Dawar
Whole-time Director and CFO
DIN: 00319476

Varun Kumar Prabhakar
Company Secretary
Membership No.: A30496

Place : Gurugram
Dated : May 17, 2023

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

1. COMPANY INFORMATION/OVERVIEW

Devyani International Limited (the 'Company' or 'the Holding Company') is a public limited company domiciled in India having Corporate Identification Number L15135DL1991PLC046758, and its registered office is at F-2/7, Okhla Industrial Area, Phase-I, New Delhi - 110020. The Company was incorporated on 13 December 1991 as a private limited company under the provisions of Companies Act applicable in India. Subsequently, the Company changed its legal status from a private company to a public company on 7 June 2000. The shares of the Company got listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on 16 August 2021.These consolidated financial statements comprise the financial statements of the Company, its subsidiaries (collectively referred to as the 'Group')

The Group is primarily engaged in the business of developing, managing and operating quick service restaurants and food courts for brands such as Pizza Hut, KFC, Costa Coffee, Vaango, etc.

For details regarding subsidiaries of the Group, refer note 38.

2.1 Basis of preparation

(a) Statement of compliance

The consolidated financial statements comply with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 (the "Act"), relevant provisions of the Act and other accounting principles generally accepted in India. The consolidated financial statements are prepared on accrual and going concern basis. The Board of Directors can permit revision to the consolidated financial statements after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

The consolidated financial statements for the year ended 31 March 2023 were authorized and approved for issue by the Board of Directors on 17 May 2023

(b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for certain financial assets and financial liabilities that are measured at fair value or amortized cost, defined benefit obligations and share based payments.

(c) Critical accounting estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and if material, their effects are disclosed in the notes to the consolidated financial statements.

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

- Note 2.2 (h) and 45 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 2.2 (a) and (b) - useful life and residual values of property, plant and equipment, fair valuation of investment properties and useful life of intangible assets;
- Note 2.2 (j) - judgment required to determine probability of recognition and estimates for recoverability of deferred tax assets;
- Note 2.2 (m) and 35 - fair value measurement of financial instruments;
- Note 2.2 (f), 37 and 42 - impairment assessment of non-financial assets key assumptions underlying recoverable amount;
- Note 2.2 (m) - impairment assessment of financial assets (goodwill, property, plant and equipment and investment property)
- Note 42 - measurement of share based payments;
- Note 2.2(g) and 39 - measurement of provisions and contingent liabilities;
- Note 2.2 (d) and 36 - judgment required to ascertain lease classification, lease term, incremental borrowing rate, lease and non-lease component, and impairment of ROU;

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

- Note 2.2 (g) and 39 - judgment is required to ascertain whether it is probable or not that an outflow of resources embodying economic benefits will be required to settle the taxation disputes and legal claim;
- Note 2 (l) and 54 – amortization of incentive.

There are no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year except for as disclosed in these financial statements.

(d) Fair value measurement

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within fair value hierarchy, described as follows, based on the lowest level of input that is significant to the fair value measurement as a whole.

- Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

Fair value of financial instruments measured at fair value through profit and loss and amortised cost.

(e) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries together with the share of the total comprehensive income.

Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The standalone financial statements of the Company and financial statements of the subsidiaries are consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, after eliminating intra-group balances, intra-group transactions and any unrealised incomes and expenses arising from intra-group transactions. These consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interest (“NCI”) which represents part of consolidated net Statement of profit and loss and net assets of subsidiary that are not, directly or indirectly, owned or controlled by the Company, are excluded and presented in the consolidated Balance Sheet separately within Equity.

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group’s share of equity in the subsidiaries, is recognised as ‘Goodwill on Consolidation’ being an asset in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

each Balance Sheet date and the impairment loss, if any, is provided for .

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the consolidated Statement of profit and loss.

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

i) Subsidiaries

Name of the company	Country of incorporation	% voting power held as at 31 March 2023 and 31 March 2022	Principal business activities
Devyani International (Nepal) Private Limited	Nepal	100%	Operating Quick Service Restaurants
Devyani Food Street Private Limited	India	100%	Operating Quick Service Restaurants
RV Enterprizes Pte. Limited	Singapore	87%	Special purpose vehicle holding investment in Devyani International Nigeria Limited
Devyani International (Nigeria) Limited (subsidiary of RV Enterprizes Pte. Limited)	Nigeria	78.75%	Operating Quick Service Restaurants
Devyani Airport Services (Mumbai) Private Limited.	India	100%	Operating Quick Service Restaurants

The financial statements of the above entities (subsidiaries) are drawn upto the same accounting period as that of the Group.

2.2 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these consolidated financial statements.

(a) Property, plant and equipment

Recognition and measurement

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

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

Expenditure which are directly attributable to commissioning of quick service restaurants are capitalised. Other expenditure incurred during the commissioning phase, which is not directly attributable, is charged off to consolidated Profit and Loss.

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

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

Subsequent cost

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

Depreciation

Depreciation on PPE is provided on the straight-line method computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013 ('Schedule II') on a pro-rata basis from the date the asset is available for use. Considering the applicability of Schedule II as mentioned above, in respect of certain class of assets- the Group has assessed the useful lives (as mentioned in the table below) lower than as prescribed in Schedule II, based on the technical assessment.

Asset Category	Useful life estimated by the management based on technical assessment (years)	Useful life as per Schedule II (years)
Building	30	60
Plant and equipment	12	15
Electrical Fitting	10	10
Office equipment	10	5
Computers	4- 6	3-6
Furniture and fixtures	6	10
Vehicles	5	6
Utensil and Kitchen Equipment	4-10	15

Freehold land is not depreciated.

Leasehold improvements are depreciated on a straight line basis over the period of the initial lease term or 10 years, whichever is lower. Any refurbishment of structure is depreciated over a period of 5 years.

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

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

Capital work-in-progress

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

Investment properties

(Recognition and initial measurement)

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition, including transaction costs. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group. All other repair and maintenance costs are recognized in Statement of profit and loss as incurred.

Properties held under leases are classified as investment properties when it is held to earn rentals or for capital appreciation or for both, rather than for sale in the ordinary course of business or for use in production or administrative functions. In case of subleases, where the Group is immediate lessor, the right of use arising out of related sub leases is assessed for classification as investment property.

Subsequent measurement (depreciation and useful lives)

Investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation on leased investment properties is provided on the straight-line method over the lease period of the right-of-use assets, depreciation on owned investment properties is provided on the straight-line method over the useful life of the asset.

Though, the Group measures investment properties using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model acceptable internationally.

De-recognition

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between

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the net disposal proceeds, if any, and the carrying amount of the asset is recognized in the Statement of profit and loss in the period of de-recognition.

(b) Business combination and intangible assets

Business combination and goodwill

The Group accounts for the business combinations using the acquisition method when control is transferred to the respective company of the Group. The consideration transferred in the acquisition is generally measured at fair value as at the date the control is acquired ('acquisition date'), as are the net identifiable assets (tangible and other intangible assets) acquired and any non-controlling interest in the acquired business. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in Other Comprehensive Income ('OCI') and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

Any goodwill that arises is not amortised but is tested for impairment at least on an annual basis, based on a number of factors, including operating results, business plans and future cash flows.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquirer. Such amounts are generally recognised in the consolidated Statement of profit and loss.

Other intangible assets

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

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

i. Subsequent cost

Subsequent cost is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All the subsequent expenditure on other intangible assets is recognised in consolidated Statement of profit and loss, as incurred.

ii. Amortisation

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

Amortisation has been charged based on the following useful lives:

Asset description	Useful life of asset (in years)
License fee	10
Franchisee rights	10
Computer software	6

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

(c) Inventories

Inventories consist of raw materials which are of a perishable nature and traded goods. Inventories are valued at lower of cost and net realisable value ('NRV'). Raw materials are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished goods will exceed

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their NRV. Cost of inventories has been determined using weighted average cost method and comprise all costs of purchase after deducting non-refundable rebates and discounts and all other costs incurred in bringing the inventories to their present location and condition. Provision is made for items which are not likely to be consumed and other anticipated losses wherever considered necessary. The comparison of cost and NRV for traded goods is made on at item group level basis at each reporting date.

(d) Leases

The Group as a lessee

The Group enters into an arrangement for lease of buildings and office equipments. Such arrangements are generally for a fixed period but may have extension or termination options. In accordance with Ind AS 116 – Leases, at inception of the contract, the Group assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to control the use an asset (the underlying asset) for a period of time in exchange for consideration'.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Group assessese whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use. At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Measurement and recognition of leases as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses (unless such right of use assets fulfills the requirements of Ind AS 40 - Investment Property and is accounted for as there under), if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in Statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero, as the case may be.

The Group presents right-of-use assets that do not meet the definition of investment property on the face of balance sheet below 'property, plant and equipment' and lease liabilities under 'financial liabilities' in the balance sheet.

The Group has elected not to apply the requirements of Ind AS 116-Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

The Group as a lessor

When the Group acts as an intermediate lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Lease payments

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

(e) Borrowing costs

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

(f) Impairment - non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication of impairment exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units ('CGU'). Goodwill arising from a business combination is allocated to a CGU or groups of CGU that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised

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if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Impairment losses are recognised in the consolidated Statement of profit and loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

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

(g) Provisions and contingent liabilities and assets

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

Contingent liabilities

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

(h) Employee benefits

Short-term employee benefits

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

Post-employment benefit plans

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment, of an amount based on the respective employee’s salary and the tenure of employment. Vesting occurs upon completion of five years of service.

Gratuity liability is partially funded by the Group through annual contribution to DIL Employees Gratuity Trust (the 'Trust') against ascertained gratuity liability. The Trustees administer contributions made to the Trust and contributions are invested in a scheme with the Life Insurance Corporation of India as permitted by the laws of India.

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

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

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit

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obligation. This cost and other costs are included in employee benefits expense in the consolidated Statement of profit and loss.

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

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

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

Other long-term employee benefits

Compensated absences

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

(i) Share based payments

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

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

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

(j) Income taxes

Income tax expense comprises of current tax and deferred tax. It is recognised in the consolidated profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any relating to income taxes. It is measured using tax rates enacted or substantively enacted at the end of the reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets

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and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

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

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

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

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets levied by the same tax authorities.

(k) Foreign currency transactions and translations

Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of the Group at the exchange rates at the date of the transactions.

Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains/(losses) arising on account of realisation/ settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the consolidated Statement of profit and loss.

Foreign exchange gains / (losses) arising on translation of foreign currency monetary loans are presented in the consolidated Statement of profit and loss on net basis. However, foreign exchange differences arising from foreign currency monetary loans to the extent regarded as an adjustment to borrowing costs are presented in the consolidated Statement of profit and loss, within finance costs.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Foreign operations

The assets and liabilities of foreign operations including goodwill and fair value adjustments arising on acquisition, are translated into Indian rupees (INR), the functional currency of the Group at the exchange rate at the reporting date. The income and expenses of foreign operations are translated to Indian rupees (INR) at exchange rates at the date of transactions or an average rate if the average rate approximates the actual rate at the date of transaction.

Foreign currency translation differences are recognised in other comprehensive income and accumulated in equity and attributed to non-controlling interests as applicable.

A long-term receivables or loans payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future is, that in substance, a part of the entity's net investment in that foreign operation.Exchange differences arising on net investment in a foreign operation shall be recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements ,that include the foreign operation and the reporting entity (i.e consolidated financial statements when the foreign operation is a subsidiary), such exchange differences shall be recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

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(l) Revenue recognition

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

Sale of products

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

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

Service income and management fee

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

Rental income

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

Scrap sale

Sale of scrap is recognised upon transfer of control of products to the customers which coincides with their delivery to customer.

Interest income

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

Incentive

The Group is eligible for certain benefits based on the number of stores opened under the development agreement entered with the franchisor. The reimbursements (incentives) are recognized only when, it is virtually certain that they will be received and are netted off against related expenses over the period of expected benefits. Unamortized incentives are presented as "deferred incentives' in the consolidated financial statements.

Contract assets and contract liabilities

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liabilities are on account of the advance payment received from customer for which performance obligation has not yet been completed.

(m) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Recognition and initial measurement

Debt instruments are initially recognised when they are originated. All other financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument. All financial assets are initially measured at fair value plus, for an item not at fair value through consolidated Statement of profit and loss, transaction costs that are attributable to its acquisition or use.

Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

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Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset being 'debt instrument' is measured at the amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

A financial asset being 'debt instrument' is measured at the FVTOCI if both of the following criteria are met:

- The asset is held within the business model, whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

A financial asset being equity instrument is measured at FVTPL.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL.

Subsequent measurement

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the consolidated Statement of profit and loss.

Financial assets at FVTPL

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

Derecognition

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

Impairment of financial assets (other than financial assets measured at fair value)

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

Financial liabilities

Recognition and initial measurement

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

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Classification and subsequent measurement

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the consolidated Statement of profit and loss.

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

Compound financial instruments

Compound financial instruments are bifurcated into liability and equity components based on the terms of the contract.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of the compound financial instrument is measured at amortised cost using the effective interest method. The equity component of the compound financial instrument is not measured subsequently.

Interest on liability component is recognised in consolidated Statement of profit and loss. On conversion, the liability component is reclassified to equity and no gain or loss is recognised.

Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount presented in the consolidated Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

(n) Earnings per share

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

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

(o) Current and non-current classification

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

Assets

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

- it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

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- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting period; or
- the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non- current.

(p) Cash and cash equivalents

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

(q) Segment reporting

As the Group's business activity primarily falls within a single business and the geographical segments considered are "within India" and "outside India" and the Chief Operating Decision Maker monitors the operating results of its business units not separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements, accordingly the relevant disclosures has been provided under Ind AS 108 –"Segment Reporting". The management considers that the various goods and services provided by the Group constitutes single business segment, since the risk and rewards from these services are not different from one another.The analysis of geographical segments is based on geographical location of the customers.

(r) Functional and presentation currency

The management has determined the currency of the primary economic environment in which the Group operates, i.e., the functional currency, to be Indian Rupees (INR). The financial statements are presented in Indian Rupees, which is the Group's functional and presentation currency. All amounts have been rounded to the nearest millions up to two decimal places, unless otherwise stated. Consequent to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute amounts.

(s) Exceptional items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Group's financial performance.

(t) Cash flow statement

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Group are segregated. Cash and cash equivalents in the cash flow comprise cash at bank, cash/cheques in hand and short-term investments with an original maturity of three months or less.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

(u) Share issue expense

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of profit and loss.

(v) Recent accounting pronouncements

Amendment to Accounting Standards (Ind AS) issued but not yet effective

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New and amended standards issued but not effective:

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023. The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary because of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

3A PROPERTY, PLANT AND EQUIPMENT

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

Particulars	Freehold Land	Buildings	Leasehold improvements	Plant and equipment	Furniture and fixtures	Electrical fittings	Office equipment	Computers	Utensil and kitchen Equipment	Vehicles	Total
Gross carrying amount											
As at 1 April 2021	103.91	455.32	2,312.34	3,053.02	369.53	105.61	188.88	394.17	248.93	44.69	7,276.40
Additions	-	3.01	736.06	1,295.32	111.43	28.64	87.35	247.77	189.46	6.67	2,705.71
Disposals	-	-	66.07	109.95	34.29	3.72	5.43	12.96	37.99	6.39	276.80
Exchange differences on translation of foreign operations	-	-	(20.44)	(14.92)	(9.47)	-	(0.55)	-	-	(0.31)	(45.69)
As at 31 March 2022	**103.91**	**458.33**	**2,961.89**	**4,223.47**	**437.20**	**130.53**	**270.25**	**628.98**	**400.40**	**44.66**	**9,659.62**
Additions	636.03	-	1,341.99	1,801.33	231.77	62.25	89.03	237.79	197.54	-	4,597.73
Disposals	-	-	238.06	96.43	14.85	7.87	18.35	11.05	4.53	1.01	392.15
Exchange differences on translation of foreign operations	-	-	(10.98)	(10.06)	(5.53)	-	(0.57)	-	-	(0.22)	(27.36)
As at 31 March 2023	**739.94**	**458.33**	**4,054.84**	**5,918.31**	**648.59**	**184.91**	**340.36**	**855.72**	**593.41**	**43.43**	**13,837.84**
Accumulated depreciation											
As at 1 April 2021	-	55.36	905.41	1,114.56	208.03	44.10	63.58	149.26	79.54	20.46	2,640.30
Depreciation	-	14.49	305.99	352.17	46.26	12.59	22.30	82.84	49.87	7.38	893.89
Disposals	-	-	35.45	83.14	32.04	2.91	3.22	9.23	33.61	5.25	204.85
Exchange differences on translation of foreign operations	-	-	(13.70)	(9.05)	(5.29)	-	(0.48)	-	-	(0.10)	(28.62)
As at 31 March 2022	**-**	**69.85**	**1,162.25**	**1,374.54**	**216.96**	**53.78**	**82.18**	**222.87**	**95.80**	**22.49**	**3,300.72**
Depreciation	-	15.03	348.52	447.14	63.90	16.14	35.69	123.24	66.09	10.09	1,125.84
Disposals	-	-	153.57	52.97	12.67	5.46	16.41	8.41	2.20	1.02	252.71
Exchange differences on translation of foreign operations	-	-	(6.05)	(4.70)	(2.26)	-	(0.18)	-	-	(0.18)	(13.37)
As at 31 March 2023	**-**	**84.88**	**1,351.15**	**1,764.01**	**265.93**	**64.46**	**101.28**	**337.70**	**159.69**	**31.38**	**4,160.48**
Accumulated impairment											
As at 1 April 2021	-	26.07	42.27	213.76	10.50	5.12	13.82	7.45	8.53	1.84	329.36
Impairment loss	-	-	20.70	36.52	0.93	0.64	1.15	3.33	3.32	0.13	66.72
Impairment (reversal)	-	(16.62)	(32.60)	(76.40)	(3.21)	(1.60)	(1.83)	(2.46)	(2.66)	(0.46)	(137.84)
Disposals	-	-	4.63	5.45	0.82	0.49	0.37	0.28	1.29	0.63	13.96
As at 31 March 2022	**-**	**9.45**	**25.74**	**168.43**	**7.40**	**3.67**	**12.77**	**8.04**	**7.90**	**0.88**	**244.28**
Impairment loss	-	0.49	-	-	1.19	0.35	-	0.44	0.25	-	2.72
Impairment (reversal)	-	-	(8.63)	(11.08)	-	-	(0.65)	-	-	(0.06)	(20.42)
Disposals	-	-	8.64	7.40	0.98	0.45	0.34	0.61	0.53	0.02	18.97
As at 31 March 2023	**-**	**9.94**	**8.47**	**149.95**	**7.61**	**3.57**	**11.78**	**7.87**	**7.62**	**0.80**	**207.61**
Net carrying amount											
As at 31 March 2022	**103.91**	**379.03**	**1,773.90**	**2,680.50**	**212.84**	**73.08**	**175.30**	**398.07**	**296.70**	**21.29**	**6,114.62**
As at 31 March 2023	**739.94**	**363.51**	**2,695.22**	**4,004.35**	**375.05**	**116.88**	**227.30**	**510.15**	**426.10**	**11.25**	**9,469.75**

i) For details regarding charge on property, plant and equipment- refer note 17.

ii) For details regarding capitalisation of expenses incurred during construction period- refer note 41

iii) For details regarding contractual commitments for the acquisition of property, plant and equipment- refer note 39.

iv) For details regarding impairment - refer note 42.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

3B CAPITAL WORK-IN-PROGRESS (CWIP)

Particulars	As at 31 March 2023	As at 31 March 2022
At the beginning of the year	68.42	142.75
Additions	4,335.29	2,505.75
Transfers to property, plant and equipment	(4,250.75)	(2,580.08)
At the end of the year	**152.96**	**68.42**

CWIP ageing schedule:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years*	
Projects in progress					
As at 31 March 2023	119.00	-	-	33.96	152.96
As at 31 March 2022	21.50	0.73	0.08	46.11	68.42

Note :

(i) In one of the subsidiaries, it had started a few store's constructions more than 3 years ago but could not complete because of uncertain business circumstances for the last three years. It plans to complete all the pending stores in near future.

(ii) There are no projects other than above as on each reporting period end where activity has been suspended. Also there are no projects as on the reporting period end which has exceeded cost as compared to its original plan or where completion is overdue other than above.

4. RIGHT-OF-USE ASSETS (REFER NOTE 36)

Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

Particulars	As at 31 March 2023	As at 31 March 2022
Right-of-use assets		
Leasehold property *	15,861.06	11,090.14
Accumulated depreciation	(3,431.04)	(2,029.80)
Accumulated impairment	(172.42)	(149.70)
Net carrying amount	**12,257.60**	**8,910.64**

** includes the addition of INR 4,957.90 (31 March 2022 : INR 3,440.91)*

5. INVESTMENT PROPERTIES (REFER NOTE 37)

Particulars	Leasehold investment properties	Owned investment properties	Total
Gross carrying amount			
As at 1 April 2021	356.72	169.63	526.35
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2022	**356.72**	**169.63**	**526.35**
Additions	50.81	-	50.81
Disposals	(51.13)	-	(51.13)
As at 31 March 2023	**356.40**	**169.63**	**526.03**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

Particulars	Leasehold investment properties	Owned investment properties	Total
Accumulated depreciation			
As at 1 April 2021	68.28	1.41	69.69
Depreciation	33.81	5.65	39.46
Disposals	-	-	-
As at 31 March 2022	**102.09**	**7.06**	**109.15**
Depreciation	28.65	5.65	34.30
Disposals	(10.06)	-	(10.06)
As at 31 March 2023	**120.68**	**12.71**	**133.39**
Accumulated impairment			
As at 1 April 2021	0.77	-	0.77
Impairment loss (refer note 37)	65.43	-	65.43
As at 31 March 2022	**66.20**	**-**	**66.20**
Impairment loss (refer note 37)	-	-	-
Disposals	26.30	-	26.30
As at 31 March 2023	**39.90**	**-**	**39.90**
Net carrying amount as at 31 March 2022	**188.43**	**162.57**	**351.00**
Net carrying amount as at 31 March 2023	**195.82**	**156.92**	**352.74**

6. GOODWILL

Particulars	Goodwill on consolidation	Goodwill on business combination	Amount
Gross carrying amount			
As at 1 April 2021	**206.17**	**504.57**	**710.74**
Acquisitions	-	-	-
As at 31 March 2022	**206.17**	**504.57**	**710.74**
Acquisitions	-	-	-
As at 31 March 2023	**206.17**	**504.57**	**710.74**
Accumulated impairment			
As at 1 April 2021	**66.29**	**-**	**66.29**
Impairment loss	-	-	-
As at 31 March 2022	**66.29**	**-**	**66.29**
Impairment loss	-	-	-
As at 31 March 2023	**66.29**	**-**	**66.29**
Net carrying amount			
As at 31 March 2022	**139.88**	**504.57**	**644.45**
As at 31 March 2023	**139.88**	**504.57**	**644.45**

Impairment testing for goodwill

Goodwill on consolidation

The Group tests goodwill on consolidation for impairment annually. For the purposes of impairment testing, goodwill on consolidation is allocated to respective subsidiary entity "CGU" within the Group.

The carrying amount of goodwill is attributable to the following CGU / group of CGUs:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

Particulars	As at 31 March 2023	As at 31 March 2022
Devyani Food Street Private Limited	139.88	139.88
Devyani Airport Services (Mumbai) Private Limited	-	-
RV Enterprizes Pte. Limited	-	-
Total	**139.88**	**139.88**

For CGU's containing goodwill, management conducts impairment assessment and compares the carrying amount of such CGU with its recoverable amount. Recoverable amount is value in use of the CGU computed based upon discounted cash flow projections. The key assumptions used for computation of value in use are the sales growth rate and discount rate as specified below. The key assumptions have been determined based on management's calculations after considering, past experiences and other available internal information and are consistent with external sources of information to the extent applicable.

Key assumptions

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate	18.50%	18.50%
Average sales growth rate	25.00%	25.00%

Discount rate is the weighted average cost of capital of the respective subsidiary (CGU).

The Group, for CGU, has considered it appropriate to undertake the impairment assessment with reference to the latest business plan and cash flow forecast.

The Management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the investment, as there is significant headroom between recoverable amount and the carrying amount.

Goodwill on business combination (also refer note 42)

During the previous years, the Group had acquired 73 stores from Yum Restaurants (India) Private Limited ("Yum") in the States of Karnataka, Andhra Pradesh and Telangana (except in the city of Hyderabad). The Group acquired goodwill of INR 504.57 through business combinations which is attributable to the operational synergies and expansion on market share. In order to further expand its business operations, the Group has opened new stores in these States.

The Group has tested goodwill for impairment on the acquired stores as well as new stores opened in the acquired territories. Management periodically assesses whether there is an indication that such goodwill may be impaired. For goodwill, where impairment indicators exists, management compares the carrying amount of such goodwill with its recoverable amount. As on the reporting date, the recoverable amount of this cash generating unit is determined at INR 1,945.57 (31 March 2022: INR 1,704.57). Recoverable amount is value in use of these stores computed based upon projected cash flows from operations with sales growth of Nil-6% (31 March 2022:5%-20%) and salary growth rate of Nil - 6% (31 March 2022: 6%), over balance lease term, discounted at rate (determined by an independent registered valuer) of 14.20% p.a (31 March 2022: 12.15% p.a). As the recoverable amount is in excess of the carrying amount of goodwill, hence no impairment loss has been recorded on the aforesaid goodwill during the year.

The key assumptions have been determined based on management's calculations after considering, past experiences and other available internal information and are consistent with external sources of information to the extent applicable.

For goodwill impairment assessment, management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the said stores, as there is significant headroom between recoverable amount and the carrying amount.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

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

7. OTHER INTANGIBLE ASSETS

Particulars	Franchisee rights	License Fee	Computer software	Amount
Gross carrying amount				
As at 1 April 2021	1,059.83	1,052.58	105.76	2,218.17
Additions	-	146.90	58.83	205.73
Disposals/adjustments	-	326.41	1.62	328.03
Exchange differences on translation of foreign operations	-	(6.37)	-	(6.37)
As at 31 March 2022	**1,059.83**	**866.70**	**162.97**	**2,089.50**
Additions	-	185.94	63.28	249.22
Disposals/adjustments	-	30.51	3.37	33.88
Exchange differences on translation of foreign operations	-	(0.84)	-	(0.84)
As at 31 March 2023	**1,059.83**	**1,021.29**	**222.88**	**2,304.00**
Accumulated amortisation				
As at 1 April 2021	48.46	204.37	75.09	327.92
Amortisation	105.50	87.84	9.77	203.11
Disposals/adjustments	-	14.31	0.93	15.24
Exchange differences on translation of foreign operations	-	(5.82)	-	(5.82)
As at 31 March 2022	**153.96**	**272.08**	**83.93**	**509.97**
Amortisation	106.69	112.83	16.61	236.13
Disposals/adjustments	-	14.33	3.28	17.61
Exchange differences on translation of foreign operations	-	(0.23)	-	(0.23)
As at 31 March 2023	**260.65**	**370.35**	**97.26**	**728.26**
Accumulated impairment				
As at 1 April 2021	-	27.66	7.40	35.06
Impairment loss	-	25.93	-	25.93
Impairment (reversal)	-	(10.45)	(3.97)	(14.42)
Disposals	-	1.70	0.05	1.75
As at 31 March 2022	**-**	**41.44**	**3.38**	**44.82**
Impairment loss	-	-	-	-
Impairment (reversal)	-	(9.65)	-	(9.65)
Disposals	-	1.55	0.04	1.59
As at 31 March 2023	**-**	**30.24**	**3.34**	**33.58**
Net carrying amount				
As at 31 March 2022	**905.87**	**553.18**	**75.66**	**1,534.71**
As at 31 March 2023	**799.18**	**620.70**	**122.28**	**1,542.16**

Notes:

i) There are no internally generated/ developed intangible assets.

ii) For details regarding impairment - refer note 42.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

8 OTHER FINANCIAL ASSETS

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good				
Security deposits	668.44	529.85	111.74	144.34
Bank deposits * #	12.10	7.23	-	841.49
Lease rental receivables	22.05	41.22	15.43	20.27
Finance lease receivables	88.33	84.70	14.47	11.64
Other receivables@	-	-	117.23	324.88
	790.92	**663.00**	**258.87**	**1,342.62**
Other receivables and security deposits (credit impaired)	-	-	25.76	13.76
Less: loss allowance	-	-	(25.76)	(13.76)
	790.92	**663.00**	**258.87**	**1,342.62**

**Bank deposits include INR 12.10 (31 March 2022 : INR 7.23) as deposits with banks under lien. These deposits are used for issuing letter of credit/standby letter of credit/ bank guarantees.*

 # Includes interest accrued but not due on bank deposits amounting to INR 0.06 (31 March 2022: INR 14.92)

@ As at 31 March 2022, includes amount for incentives receivable from Yum Restaurant (India) Private Limited (also refer note 54).

9 OTHER ASSETS

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Capital advances	159.37	289.80	-	-
Other advances:				
- Amount paid under protest	8.88	7.41	-	-
- Prepaid expenses	34.33	10.04	112.45	55.44
- Balance with statutory/government authorities	20.54	20.71	167.95	134.76
- Advances to employees	-	-	50.45	37.95
- Advance to suppliers	-	0.33	88.72	73.14
	223.12	**328.29**	**419.57**	**301.29**
Less: loss allowance for advance to suppliers	-	-	(10.74)	(6.81)
	223.12	**328.29**	**408.83**	**294.48**

10 INVENTORIES

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials including packaging materials (refer note below)	1,262.60	827.12
Stores and spares	27.88	27.74
	1,290.48	**854.86**

Note:

(i) This includes provision for obsolete inventory amounting to INR 10.56 (31 March 2022: INR 21.00).These were recognised as an expense during the respective financial years under head 'Cost of materials consumed'.

(ii) The above inventories are being valued at cost.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

11 TRADE RECEIVABLES

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables		
- Considered good- unsecured	289.07	210.54
- Credit impaired	16.71	26.83
	305.78	**237.37**
Less: loss allowance (refer note 35)	(16.71)	(26.83)
	289.07	**210.54**

Sub notes:

- *Trade receivables includes receivables from related parties (refer note 38).*
- *The carrying amount of trade receivables approximates their fair values, is included in note 35.*
- *The Group's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in note 35.*
- *The Group has also performed credit risk assessment of their trade receivables as on the reporting dates on individual level.*
- *The Group has no unbilled dues.*
- *Includes amounts due, in the ordinary course of business, from companies in which directors of the Holding Company are also directors, (refer note 38):*

  RJ Corp Limited

  Devyani Food Industries Limited and
  Lineage Healthcare Limited

  Global Health Private Limited

Trade receivables ageing schedule on 31 March 2023

Particulars	Outstanding for following periods from due Dates						
	Not Due	Less than 6 months	6 months -1 year	1 -2 year	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables- considered good	263.51	22.07	3.49	-	-	-	289.07
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	0.56	2.23	4.79	5.65	13.23
(iv) Disputed trade receivables considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables- credit impaired	-	-	-	-	1.09	2.39	3.48
Total	**263.51**	**22.07**	**4.05**	**2.23**	**5.88**	**8.04**	**305.78**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

Trade receivables ageing schedule on 31 March 2022

Particulars		Outstanding for following periods from due Dates						Total
		Not Due	Less than 6 months	6 months -1 year	1 -2 year	2-3 years	More than 3 years	
(i)	Undisputed trade receivables-considered good	178.94	26.43	0.58	4.53	0.06	-	210.54
(ii)	Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed trade receivables – credit impaired	-	-	1.74	6.90	3.48	4.61	16.73
(iv)	Disputed trade receivables considered good	-	-	-	-	-	-	-
(v)	Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed trade receivables-credit impaired	-	-	0.25	1.48	5.47	2.90	10.10
Total		**178.94**	**26.43**	**2.57**	**12.91**	**9.01**	**7.51**	**237.37**

12 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2023	As at 31 March 2022
Balance with banks :		
- On current accounts	445.58	331.35
- in deposits accounts	126.28	180.35
Cash in hand	28.49	45.98
Cash in transit	25.51	16.78
	625.86	**574.46**

13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2023	As at 31 March 2022
Other bank balances*		
- On deposit accounts^	225.57	84.36
	225.57	**84.36**

** Bank deposits INR 3.49 (31 March 2022: INR 4.73) as deposits with banks under lien.*

^ Includes interest accrued but not due on bank deposits amounting to INR 6.87 (31 March 2022: INR 0.49)

14 EQUITY SHARE CAPITAL

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised capital		
5,000,000,000 (31 March 2022 : 5,000,000,000) equity shares of INR 1/- each*	5,000.00	5,000.00
	5,000.00	**5,000.00**
Issued, subscribed and fully paid -up	1,204.96	1,204.74
1,204,961,378 (31 March 2022: 1,204,736,378) equity shares of INR 1/- each *	**1,204.96**	**1,204.74**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

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

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares issued, subscribed and paid up				
At the beginning of the year	1,204,736,378	1,204.74	1,153,634,990	1,153.63
Issued during the year	225,000	0.22	51,101,388	51.11
At the end of the year	**1,204,961,378**	**1,204.96**	**1,204,736,378**	**1,204.74**

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity share having a par value of INR 1.00/- 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 shareholder.

c) Shares reserved for issue under options and contracts:

For terms and other details of shares reserved for issue and options exercised during the year under Employee Stock Option Scheme ("ESOS") of the Company- refer note 40.

d) Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% Holding	No. of shares	% Holding
- RJ Corp Limited, India, holding and ultimate holding company				
Equity shares of INR 1/- each fully paid-up	714,821,970	59.32	714,821,970	59.33
	714,821,970	**59.32**	**714,821,970**	**59.33**

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

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% Holding	No. of shares	% Holding
- RJ Corp Limited, India, holding company				
Equity shares of INR 1/- each	714,821,970	59.32	714,821,970	59.33
- Dunearn Investments (Mauritius) Pte Limited*				
Equity shares of INR 1/- each	-	-	98,000,000	8.13

** the share holding is less than 5% and hence not reported on 31 March 2023.*

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

f) **Shareholding of Promoters***

Promoter name	As at 31 March 2023			As at 31 March 2022		
	No. of shares	% holding	% Change during the year	No. of shares	% holding	% Change during the year
- RJ Corp Limited, India, holding company						
Equity shares of INR 1/- each	714,821,970	59.32	(0.01)	714,821,970	59.33	(10.43)
- Mr. Varun Jaipuria						
Equity shares of INR 1/- each	39,625,617	3.29	-	39,625,617	3.29	(2.78)
- Mr. Ravi Kant Jaipuria						
Equity shares of INR 1/- each	2,114,103	0.18	(0.00)	2,114,103	0.18	(1.31)

** Promoters for the purpose of this disclosure means promoters as defined under Section 2(69) of Companies Act, 2013.*

g) For the period of five years immediately preceding the reporting date, there was no share allotment made for consideration other than cash. Further, no bonus shares have been issued and there has been no buy back of shares during the period of five years immediately preceding 31 March 2023 and 31 March 2022.

15 OTHER EQUITY (REFER CONSOLIDATED STATEMENT OF CHANGES IN EQUITY)

a) **Reserve and Surplus (attributable to owners of the Company)**

Particulars	As at 31 March 2023	As at 31 March 2022
Share application money pending for allotment	14.46	-
Securities premium	12,459.93	12,450.28
Employee share options outstanding account (refer note 40)	150.63	44.27
General reserve	5.47	5.47
Retained earnings	(5,010.25)	(7,656.48)
Exchange difference of translation of foreign operations	878.26	814.75
Total	**8,498.50**	**5,658.29**

i) Share application pending allotment represents the amount received on the share application on which allotment is not yet made.

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

iii) General reserve are free reserves of the Group which are kept aside out of the Company's profit to meet the future requirements as and when they arise. The Group had, in the previous years, transferred a portion of profit after tax to general reserve pursuant to the provisions of the erstwhile Companies Act, 1956.

iv) Retained earnings are the accumulated losses earned by the Group till date, as adjusted for distribution to owners.

v) Employee stock option outstanding account is used to record the impact of employee stock option schemes. Refer note 40 for further details of these plans.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

b) Other comprehensive income

i) Other comprehensive income pertains to remeasurement gains/ (losses) on defined benefit plans, which are transferred to retained earnings at the end of the year.

ii) Exchange differences on translation of foreign operations are foreign currency translation differences which are recognised in other comprehensive income.

16 LEASE LIABILITIES

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Lease liabilities	13,873.64	10,305.33	1,000.96	912.13
	13,873.64	**10,305.33**	**1,000.96**	**912.13**

Note:

- Refer note 17 (for movement of financing activities)

- Refer note 36 (for details of leases)

17 BORROWINGS

Particulars	Non-current		Current portion*	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Term loans (secured) from banks:				
Indian rupee term loans	-	609.17	-	0.11
Unsecured term loans from others:				
Bodies corporate (refer note 38)	766.60	464.59	-	246.36
	766.60	**1,073.76**	**-**	**246.47**

The information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in note 35.

**Current portion of non-current borrowings includes interest accrued of INR Nil (31 March 2022: INR 0.11). The same has been included in 'Current borrowings' (refer note 18).*

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

Changes in liabilities arising from financing activities

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance of borrowings and lease liabilities:		
Indian rupee term loans	609.28	3,370.95
Term loan- unsecured	710.95	694.23
Foreign currency term loans	-	255.58
Redeemable, non-cumulative, non-convertible preference shares	-	101.41
Lease liabilities	11,217.46	8,724.34
Cash credit facilities from banks	4.57	211.10
Cash flows		
Proceeds from non-current borrowings	-	609.17
Repayment of non-current borrowings	(609.17)	(3,729.28)
(Repayments)/proceeds of cash credit and overdraft facilities from banks (net)	2.37	(206.53)
Finance cost paid	(26.55)	(146.99)
Payment of lease liabilities- principal	(814.88)	(366.36)
Payment of lease liabilities- interest	(1,400.12)	(1,083.38)
Non-cash changes		
Foreign currency exchange fluctuations due to reinstatement	36.74	0.57
Exchange difference of translation of foreign operations	45.32	16.69
Finance cost expense	1,474.73	1,269.95
Gain on modification of financial instrument	-	(32.53)
Rent concession	-	(358.82)
Additions/remeasurement/(termination) of lease liabilities	4,397.44	3,212.17
Closing balance of borrowings and lease liabilities:		
Indian rupee term loans	-	609.28
Term loan- unsecured	766.60	710.95
Lease liabilities	14,874.60	11,217.46
Cash credit facilities from banks	6.94	4.57

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

Terms of borrowings and security from banks

Sl. No.	Bank/Party	Description	31 March 2023 Non-current	31 March 2023 Current	31 March 2022 Non-current	31 March 2022 Current	Terms of repayment: Repayment schedule	Instalments frequency	Interest rates range (p.a.)
1	RBL Bank Limited *	INR WCTL Term loan - II	-	-	609.17	0.11	The original repayment schedule is given below: - 9 instalments during FY 2023-24 - INR 12.69 each - 12 instalments during FY 2024-25 - INR 12.69 each - 12 instalments during FY 2025-26 - INR 12.69 each - 12 instalments during FY 2026-27 - INR 12.69 each - 3 instalments during FY 2027-28 - INR 12.69 each The loan has been fully prepaid on 11 October 2022.	Monthly	6.00%-8.08% (previous year: 6.00% -6.42%)
2	Chellarams Plc	NGN Unsecured loan	41.64	-	134.03	69.57	The term loan was repayable in quarterly instalments starting from April 2022 and during the current year, it has been rescheduled and will be repayable in quarterly instalments starting from April 2024.	Quarterly	5.00%
3	Chellarams Plc	USD Unsecured loan	724.96	-	330.57	176.79	The term loan was repayable in quarterly instalments starting from April 2022 and during the current year, it has been rescheduled and will be repayable in quarterly instalments starting from April 2024.	Quarterly	5.00%

**Second Pari Passu Charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future, and equitable mortgage on the immovable property, plant and equipment of the Company's industrial.*

Note :

- Charge created on property, plant and equipment as at 31 March 2023 is for undrawn facilities/sanctioned facilities.

- The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date. Further, there were no loans taken by the Group during the year ended 31 March 2023.

- The quarterly returns/statements of current assets filed by the Group with banks or financial institutions in relation to secured borrowings / sanctioned loans, wherever applicable, are in agreement with the books of accounts.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

18 CURRENT BORROWINGS

Particulars	As at 31 March 2023	As at 31 March 2022
Cash credit facilities from banks (secured) (repayable on demand)	6.94	4.57
Current portion of non-current borrowings (refer note 17)	-	246.47
	6.94	**251.04**

Details for Cash credit facilities from banks:

Terms of loan	As at 31 March 2023	As at 31 March 2022
The credit facility taken from Zenith Bank Plc carries interest rate of 21.50% p.a. This rate is subject to upward or downward review in line with money market realities.	6.94	-
The credit facility taken from Titan Trust Bank carries interest rate of LIBOR +10.00% p.a.The facility is secured by LC cover margin	-	4.57

19 OTHER FINANCIAL LIABILITIES

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Security deposits payable	45.93	41.31	15.90	16.56
Employee related payables	-	-	468.57	300.10
Capital creditors	-	-	726.61	261.53
Other payables	-	-	19.39	46.59
	45.93	**41.31**	**1,230.47**	**624.78**

20 PROVISIONS

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits				
Gratuity (refer note 45)	106.28	107.58	61.33	54.62
Compensated absences	72.66	69.00	36.54	29.49
	178.94	**176.58**	**97.87**	**84.11**

21 OTHER LIABILITIES

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Deferred income/incentives (refer note 54)	23.42	10.69	173.53	0.55
Advances from customers*	-	-	28.00	7.13
Statutory dues payable				
Goods and service tax/ value added tax payables	-	-	92.14	91.41
Tax deducted at source payable	-	-	139.80	140.04
Other statutory dues	-	-	80.92	62.10
Other payable	-	-	8.58	8.43
	23.42	**10.69**	**522.97**	**309.66**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

*Contract balances

The following table provides information about contractual liability (advance from customers) from contract with customers:

Contract liabilities (advances from customers against sale of goods)	As at 31 March 2023	As at 31 March 2022
Opening balance	7.13	31.72
Revenue recognized that was included in the contract liability balance at the beginning of the year	(7.13)	(31.72)
Closing balance	28.00	7.13

22 TRADE PAYABLES

Particulars	As at 31 March 2023	As at 31 March 2022
Micro enterprises and small enterprises (refer note below)	226.74	173.06
Other than micro enterprises and small enterprises*	2,192.21	1,790.66
	2,418.95	**1,963.72**

** Includes payable to related parties (refer note 38).*

The Group's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 35.

Dues to micro and small enterprises

Particulars	As at 31 March 2023	As at 31 March 2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	206.22	162.21
- Interest	20.53	10.85
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	382.11	374.60
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the interest specified under MSMED Act, 2006.	9.66	6.76
The amount of interest accrued and remaining unpaid at the end of each accounting year.	9.66	6.76
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.	10.85	3.39

Trade payable ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from due Dates						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	138.44	81.54	6.76	-	-	226.74
(ii) Others	420.39	879.03	807.68	51.80	8.31	9.80	2,177.01
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed Others dues	-	-	15.20	-	-	-	15.20
Total	**420.39**	**1,017.47**	**904.42**	**58.56**	**8.31**	**9.80**	**2,418.95**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

Trade payables ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due Dates						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	115.96	48.88	5.33	2.88	0.01	173.06
(ii) Others	652.95	428.05	531.45	49.93	52.59	58.79	1,773.76
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed others dues	16.90	-	-	-	-	-	16.90
Total	**669.85**	**544.01**	**580.33**	**55.26**	**55.47**	**58.80**	**1,963.72**

23 REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products		
Finished goods	29,643.51	20,587.19
Traded goods	84.52	53.94
Other operating revenues		
Marketing and other services	74.82	79.22
Rental and maintenance income	138.23	106.67
Scrap sales	36.15	13.08
	29,977.23	**20,840.10**
Set out below is the disaggregation of the Group's revenue from contracts with customers:		
Revenue recognised at the point of time	29,764.18	20,654.21
Revenue recognised over the period of time	213.05	185.89
Total revenue from contracts with customers	**29,977.23**	**20,840.10**
Revenue disaggregation as per geography has been included in segment information (refer note 46).		
Contract liabilities		
The Group has recognised the following revenue-related contract liabilities:		
Contract liabilities (refer note 21)	28.00	7.13

24 OTHER INCOME

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income under effective interest method from:		
- bank deposits	47.26	29.73
- others	0.14	2.96
Interest income from financial assets at amortized cost	73.01	57.43
Liabilities no longer required written back	7.52	28.65
Net gain on foreign currency transactions and translations	24.57	6.23
Gain on termination/modification of lease liabilities	170.15	21.57
Gain on sale of current investment	0.41	-
Derivatives at fair value through profit and loss	-	0.72
Others	2.79	13.92
	325.85	**161.21**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

25 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Raw material and packing material consumed		
Inventories at the beginning of the year	827.12	621.97
Add: Purchases during the year	9,344.01	6,091.79
Less: Inventories at the end of the year	(1,262.60)	(827.12)
	8,908.53	**5,886.64**

26 PURCHASES OF STOCK-IN-TRADE

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Purchase of stock-in-trade	77.76	111.83
	77.76	**111.83**

27 EMPLOYEE BENEFIT EXPENSE

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus #	3,085.74	2,238.07
Contribution to provident and other funds	211.10	132.54
Gratuity (refer note 45)	34.45	31.92
Staff welfare expenses	120.44	79.83
	3,451.73	**2,482.36**

 # The amount includes "Employee stock option expenses/(reversal)" for INR 109.35 (31 March 2022: INR 64.87) (refer note 40).

28 FINANCE COSTS

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expenses*	1,444.17	1,226.37
Net loss on foreign currency transactions and translation to the extent regarded as borrowing cost	30.56	11.25
Others borrowing costs	-	32.32
	1,474.73	**1,269.94**

**includes interest on lease liabilities of INR 1,400.12 (31 March 2022: INR 1092.22) (refer note 36)*

29 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment (refer note 3A)	1,125.84	893.89
Depreciation on right-of-use asset	1,391.32	1,076.87
Depreciation on investment properties (refer note 5)	34.30	39.46
Amortisation of other intangible assets (refer note 7)	236.13	203.11
	2,787.59	**2,213.33**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

30. IMPAIRMENT OF NON-FINANCIAL ASSETS

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Reversal on property, plant and equipment (refer note 3A)	(17.70)	(71.12)
Impairment on right-of-use assets	21.95	29.46
Impairment on investment properties (refer note 5)	-	65.43
(Reversal)/provision of impairment of other intangible assets (refer note 7)	(9.65)	11.51
	(5.40)	**35.28**

31 OTHER EXPENSES

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Stores and spares consumed	165.55	93.66
Power and fuel	1,892.41	1,117.57
Rent [refer note 36A (ii)]	1,318.90	606.31
Repairs and maintenance		
-Plant and equipment	228.49	143.09
- Buildings	477.88	363.09
-Others	179.06	126.27
Rates and taxes	86.00	88.89
Travelling and conveyance	155.73	103.23
Legal and professional	60.65	47.20
Auditor's remuneration (refer note below)	14.20	11.18
Water	71.69	42.47
Insurance	18.71	21.60
Printing and stationery	29.45	19.70
Communication	118.61	81.25
Sitting fee/commission paid to non-executive director [refer note 38(III)]	29.99	20.33
Security and service	149.06	89.27
Bank charges	18.53	17.36
Advertisement and sales promotion	1,454.61	1,095.67
Commission and brokerage	1,776.27	1,595.73
Royalty and continuing fees	1,999.13	1,397.39
Freight including delivery charges	504.08	368.58
Loss on sale of property, plant and equipment (net)	2.25	18.36
Bad debts and advances written off	11.33	-
Loss allowance	5.64	5.63
General office and other miscellaneous	220.21	125.65
	10,988.43	**7,599.48**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

Note - Auditor's remuneration

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditor		
Statutory audit and reviews*	11.87	10.65
Tax matters	1.40	0.20
Others matters #	0.48	3.24
Outlays	0.45	0.33
	14.20	**14.42**

Inclusive of applicable taxes

#*includes INR Nil (31 March 2022: INR 3.24) paid towards assurance services in connection with the Initial Public Offering of equity shares of the Company and included in 'share issue expenses' as shown in Statement of Changes in Equity.*

32 EXCEPTIONAL ITEMS

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Foreign currency fluctuation (Nigeria operations) ^	200.46	191.47
IPO expenses (refer note 51)	-	12.10
Gain on extinguishment of financial liabilities #	-	(32.53)
	200.46	**171.04**

 # During the year ended 31 March 2022, pursuant to Deed of Settlement and Share Transfer Agreement dated 12 July 2021 executed between the Company, its subsidiary Devyani Airport Services (Mumbai) Private Limited (DASMPL) and non-controlling stake holder High Street Food Services Private Limited, the Company has purchased 2,940,000 Equity Shares of face value of INR 10/- each and 11,316,693 8% Non-Cumulative Redeemable Preference Shares of Devyani Airport Services (Mumbai) Private Limited (DASMPL) for a total consideration of INR 69.04 (including INR 0.74 towards purchase of equity shares) from non-controlling stake holder, resulting into a gain of INR 12.10. Pursuant to the such acquisition, DASMPL became a wholly owned subsidiary of the Group.

^ Due to significant weakening of Nigerian currency vis-à-vis USD and INR during the years ended 31 March 2022 and 31 March 2023, such amount has been shown as "exceptional item" in the consolidated statement of profit and loss. Further refer note 47 for details.

33. TAX EXPENSE

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
The tax expense comprises of :		
Current tax	274.93	66.77
Deferred tax	(480.82)	(386.51)
	(205.89)	**(319.74)**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

Income tax recognised in other comprehensive income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Income tax relating to remeasurement of defined benefit plans	0.21	(0.04)
	0.21	**(0.04)**
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before tax	**2,419.25**	**1,231.41**
Tax using the Company's domestic tax rate [25.168% (31 March 2022: 25.168%)]	608.88	309.92
Effect of :		
Difference in tax rate of various entities	0.29	2.28
Deferred tax utilised during the year	(378.04)	(282.65)
Others	43.80	61.89
Deferred tax recognised during the year	(480.82)	(411.19)
	(205.89)	**(319.74)**

Income tax assets and liabilities:

Particulars	Non Current	
	As at 31 March 2023	As at 31 March 2022
Advance tax (net of provision for taxation)	389.60	166.59
	389.60	**166.59**

Particulars	Current	
	As at 31 March 2023	As at 31 March 2022
Income tax liability (net of advance tax)	76.69	56.57
	76.69	**56.57**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

Deferred taxes (net)

Particulars	Non Current	
	As at 31 March 2023	As at 31 March 2022
The balance comprises temporary differences attributable to:		
Tax effect of items constituting deferred tax assets:		
Unused capital losses and unabsorbed depreciation	-	764.44
Expenses allowed on payment/actual basis	125.25	106.76
Lease liabilities (net of right of use assets)	571.48	492.90
Property, plant and equipment exceeds its tax base	143.97	281.13
Financial instruments measured at amortised cost	247.05	103.00
Deferred tax assets	**1,087.75**	**1,748.23**
Tax effect of items constituting deferred tax liabilities		
Financial instruments measured at amortised cost	(0.21)	(0.22)
Deferred tax liabilities	**(0.21)**	**(0.22)**
Net deferred tax assets/(liabilities)	**963.29**	**482.25**

Notes:

(i) Movement in deferred tax assets/(liabilities) for the year ended 31 March 2023 :

	As at 31 March 2022	Credited/charged to		As at 31 March 2023
		Profit or Loss	OCI	
Tax effect of items constituting deferred tax assets:				
Unused losses and unabsorbed depreciation	666.02	(400.65)	-	265.37
Expenses allowed on payment/actual basis	106.76	18.29	0.20	125.25
Lease liabilities (net of right of use assets)	492.90	78.58	-	571.48
Property, plant and equipment exceeds its tax base	281.13	(137.16)	-	143.97
Financial instruments measured at amortised cost	103.00	144.05	-	247.05
Deferred tax assets	**1,649.81**	**(296.89)**	**0.20**	**1,353.12**
Tax effect of items constituting deferred tax liabilities				
Financial instruments measured at amortised cost	(0.22)	0.01	-	(0.21)
Deferred tax liabilities	**(0.22)**	**0.01**	**-**	**(0.21)**
Net deferred tax assets/(liabilities)	**1,649.59**	**(296.88)**	**0.20**	**1,352.91**
Deferred tax assets recognised (net)*	**482.25**	**480.84**	**0.20**	**963.29**
Deferred tax assets not recognised (net)	**1,167.34**	**(777.72)**	**-**	**389.62**

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Movement in deferred tax assets/(liabilities) for year ended 31 March 2022:

	As at 31 March 2021	Credited/charged to Profit or Loss	Credited/charged to OCI	As at 31 March 2022
Tax effect of items constituting deferred tax assets:				
Unused losses and unabsorbed depreciation	1,246.18	(580.16)	-	666.02
Expenses allowed on payment/actual basis	93.95	12.85	(0.04)	106.76
Employee stock option outstanding account	4.52	(4.52)	-	-
Derivative instruments	1.82	(1.82)	-	-
Lease liabilities (net of right of use assets)	407.41	85.49	-	492.90
Property, plant and equipment exceeds its tax base	333.22	(52.09)	-	281.13
Financial instruments measured at amortised cost and others	71.38	31.62	-	103.00
Total deferred tax assets	**2,158.48**	**(508.63)**	**(0.04)**	**1,649.81**
Tax effect of items constituting deferred tax liabilities				
Financial instruments measured at amortised cost-liability	(1.28)	1.06	-	(0.22)
Total deferred tax liabilities	**(1.28)**	**1.06**	**-**	**(0.22)**
Net deferred tax assets/(liabilities)	**2,157.20**	**(507.57)**	**(0.04)**	**1,649.59**
Deferred tax assets recognised (net)*				**482.25**
Deferred tax assets not recognised (net)				**1,167.34**

(ii) Tax losses and tax credits for which no deferred tax asset was recognised expire as follows:

	As at 31 March 2023		As at 31 March 2022	
	Gross amount	Unrecognised tax effects	Gross amount	Unrecognised tax effects
Unabsorbed depreciation				
Never expire	777.01	221.16	698.25	197.55
Unused tax losses (expiry assessment year wise)				
2024-25	-	-	8.66	2.18
2025-26	-	-	19.23	4.84
2026-27	31.33	7.89	35.64	8.97
2027-28	68.50	17.24	68.58	17.26
2028-29	65.96	16.60	65.96	16.60
2029-30	9.80	2.47	581.41	139.14
Other deductible temporary differences (never expire)	493.76	124.27	3,102.35	780.80

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34. EARNINGS PER SHARE (EPS)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit attributable to equity shareholders for calculation of basic and diluted EPS	2,649.97	1,563.36
Weighted average number of equity shares for the calculation of basic EPS	1,204,767,816	1,184,962,588
Effect of dilutive potential equity shares		
– Employee stock options *	3,851,680	2,548,985
Weighted average number of equity shares for calculation of diluted EPS	**1,208,619,496**	**1,187,511,573**
Earnings per equity share (INR) (basic)	2.20	1.32
Earnings per equity share (INR) (diluted)	2.19	1.32
Nominal value per shares (INR)	1.00	1.00

** Employee Options granted to employees under the Employee Share Option Schemes are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Refer note 42.*

35. FAIR VALUE MEASUREMENT AND FINANCIAL INSTRUMENTS

a. Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(i) As on 31 March 2023

Particulars	Note	Carrying value			
		Mandatory at FVTPL	Fair value through other comprehensive income ('FVOCI')	Amortised cost	Total
Financial assets					
Non-current					
Financial assets*	8	-	-	790.92	790.92
Current**					
(i) Trade receivables*	11	-	-	289.07	289.07
(ii) Cash and cash equivalents*	12	-	-	625.86	625.86
(iii) Bank balances other than cash and cash equivalents, above *	13	-	-	225.57	225.57
(iv) Other financial assets*	8	-	-	258.87	258.87
Total		**-**	**-**	**2,190.29**	**2,190.29**
Financial liabilities					
Non-current					
(i) Lease liabilities#	16	-	-	13,873.64	13,873.64
(ii) Borrowings#	17	-	-	766.60	766.60
(iii) Other financial liabilities	19	-	-	45.93	45.93
Current					
(i) Lease liabilities#	16	-	-	1,000.96	1,000.96
(ii) Borrowings#	17	-	-	6.94	6.94
(iii) Trade payables*	22	-	-	2,418.95	2,418.95
(iv) Other financial liabilities	19	-	-	1,230.47	1,230.47
Total		**-**	**-**	**19,343.49**	**19,343.49**

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(ii) As on 31 March 2022

Particulars	Note	Carrying value			
		Mandatory at FVTPL	Fair value through other comprehensive income ('FVOCI')	Amortised cost	Total
Financial assets					
Non current					
Financial assets*	8	-	-	663.00	663.00
Current**					
(i) Trade receivables*	11	-	-	210.54	210.54
(ii) Cash and cash equivalents*	12	-	-	574.46	574.46
(iii) Bank balances other than cash and cash equivalents, above *	13	-	-	84.36	84.36
(iv) Other financial assets*	8	-	-	1,342.62	1,342.62
Total		**-**	**-**	**2,874.98**	**2,874.98**
Financial liabilities					
Non current					
(i) Lease liabilities#	16	-	-	10,305.33	10,305.33
(ii) Borrowings#	17	-	-	1,073.76	1,073.76
(iii) Other financial liabilities	19	-	-	41.31	41.31
Current					
(i) Lease liabilities#	16	-	-	912.13	912.13
(ii) Borrowings#	17	-	-	251.04	251.04
(iii) Trade payables*	22	-	-	1,963.72	1,963.72
(iv) Other financial liabilities	19	-	-	624.78	624.78
Total		**-**	**-**	**15,172.07**	**15,172.07**

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

*** For details regarding charge on such current financial assets - refer note 17*

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

Other notes:

There has been no transfer between level 1, level 2 and level 3 for the years ended 31 March 2023 and 31 March 2022

b. Financial risk management

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

- Credit risk;
- Liquidity risk;
- Market Risk - Foreign Currency; and
- Market Risk - Interest Rate

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Risk Management Framework

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

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

The Board of Directors of the Company oversee, how the management monitors compliance with Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by the Group.

i. Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Consolidated Balance Sheet

Particulars	As at 31 March 2023	As at 31 March 2022
(ii) Trade receivables	289.07	210.54
(ii) Cash and cash equivalents	625.86	574.46
(iii) Bank balances other than cash and cash equivalents, above	225.57	84.36
(iv) Other financial assets (current and non-current)	1049.79	2005.62

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk on cash and cash equivalents and bank deposits (shown under bank balances other than cash and cash equivalents above) and other financial assets is limited as the Group generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. The other financial assets includes security deposits given to lessors for premises taken on lease. Such deposits will be returned to the Group on vacation of the premises or termination of the agreement whichever is earlier.

The exposure to the credit risk at the reporting date is primarily from security deposit receivables and trade receivables. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India and Nepal. Trade receivables also includes receivables from credit card companies and online aggregator platforms, which are generally realisable on fortnightly basis. The Group does monitor the economic environment in which it operates. The Group manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Group grants credit terms in the normal course of business.

The Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available internal credit risk factors such as the Group's historical experience for customers. Based on the business environment in which the Group operates, management considers that the trade receivables are in default (credit impaired) if the payments are more than 90 days past due however, the Group based upon past trends determines an impairment allowance for loss on receivables (other than receivables from related parties) outstanding for more than 180 days past due. Majority of trade receivables are from domestic customers, which are fragmented and are not concentrated to individual customers. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

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For Group's exposure to credit risk for trade receivables is as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Balance at the beginning of the year	26.83	34.00
Bad debts written off	(11.33)	(7.74)
Impairment allowances for doubtful receivables	1.21	0.57
Balance at the end of the year	**16.71**	**26.83**

For trade receivables ageing refer note 11.

- For trade receivables ageing refer note 11. Also, the management of the Group has preferred credit risk assessment on individual basis for trade receivables.
- For security deposits and other receivables also management has preferred credit risk assessment at category level and individual level. Based on this, the management has concluded that there are no significant Impact other than already provided for, in the consolidated financial statements (refer note 8).

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group's approach to manage liquidity is to have sufficient liquidity to meet it's liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Group's reputation.

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

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Group’s liquidity position on the basis of expected cash flows.
- It maintains adequate source of financing through the use of short term bank deposits and cash credit facility.
- The Group assessed the concentration of risk with respect to its financial liabilities and concluded it to be low.

As on 31 March 2023 the Company has undrawn credit facility for INR 996.02 (31 March 2022: INR 1030.84)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flow amounts are gross and undiscounted.

As at 31 March 2023	Contractual cash flows				
Financial liabilities	**Carrying amount**	**Within 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Borrowings	766.60	38.33	808.86	-	847.19
Lease liabilities	14,874.60	2,460.58	9,656.93	14,707.09	26,824.60
Trade Payables	2,418.95	2,418.95	-	-	2,418.95
Security deposits payable	61.83	36.99	34.53	-	71.52
Short term borrowings	6.94	6.94	-	-	6.94
Capital creditors	726.61	726.61	-	-	726.61
Others	487.96	487.96	-	-	487.96
	19,343.49	**6,176.36**	**10,500.32**	**14,707.09**	**31,383.77**

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As at 31 March 2022	Contractual cash flows				
Financial liabilities	**Carrying amount**	**Within 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Borrowings	1,320.23	315.44	1,145.16	38.28	1,498.88
Lease liabilities	11,217.46	1,957.76	7,386.06	9,935.68	19,279.50
Trade payables	1,963.72	1,963.72	-	-	1,963.72
Security deposits payable	57.87	15.16	47.51	5.82	68.49
Short term borrowings	4.57	4.57	-	-	4.57
Capital creditors	261.53	261.53	-	-	261.53
Others	346.69	346.69	-	-	346.69
	15,172.07	**4,864.87**	**8,578.73**	**9,979.78**	**23,423.37**

(iii) Market risk

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

Interest rate risk

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

A. Exposure to interest rate risk

The exposure of the Group's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Fixed-rate instruments	As at 31 March 2023	As at 31 March 2022
Foreign currency term loans	766.60	710.95
	766.60	**710.95**

Variable - rate instruments	As at 31 March 2023	As at 31 March 2022
Indian rupee term loans	-	609.28
Short term borrowings	6.94	4.57
	6.94	**613.85**

Interest rate sensitivity analysis

The following table illustrates the sensitivity of consolidated profit or loss and other equity to a reasonably possible change in interest rates of +/- 1%. All other variables are held constant.

Change in interest rate on loans from banks (Variable - rate instruments)	Increase by 1%	Decrease by 1%
Increase/(decrease) in consolidated profit or loss and other equity for the year ended 31 March 2023	(0.07)	0.07
Increase/(decrease) in consolidated profit or loss and other equity for the year ended 31 March 2022	(6.14)	6.14

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The Group is exposed to interest rate risk on account of variable rate borrowings. The Group's risk management policy is to mitigate its interest rate exposure in accordance with the exposure limits advised from time to time. The group has used interest rate swaps to mitigate its interest rate risk arising from certain transactions, these are recognised as derivatives.

B. Currency risk

Exposure to Foreign currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Group's operating, investing and financing activities. The Investment and Borrowing Committee of the Company evaluates foreign exchange rate exposure arising from foreign currency transactions on periodic basis and follows appropriate risk management policies.

Exposure to Foreign currency risk

The summary of quantitative data about the Group's exposure to currency risk, as expressed in Indian Rupees, as at 31 March 2023 and 31 March 2022 are as below:

Particulars	Currency	As at 31 March 2023		As at 31 March 2022	
		Amount (in foreign currency)	Amount (in INR)	Amount (in foreign currency)	Amount (in INR)
Financial liabilities					
Trade payables	GBP	0.07	6.90	1.02	78.52
Trade payables	USD	0.63	52.17	-	-
Capital creditors	EUR	0.23	20.69	-	-
Borrowings	USD	8.82	724.96	8.82	507.36
Total financial liabilities			**804.72**		**585.88**

Sensitivity analysis

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

Particulars	Consolidated profit/ (loss) for the year ended 31 March 2023		Consolidated profit/ (loss) for the year ended 31 March 2022	
	Gain on appreciation	Loss on depreciation	Gain on appreciation	Loss on depreciation
5% depreciation / appreciation in Indian Rupees against following foreign currencies:				
USD	38.86	(38.86)	25.37	(35.55)
GBP	0.35	(0.35)	3.93	(3.93)
EUR	1.03	(1.03)	-	-

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Particulars	Other equity As at 31 March 2023		Other equity As at 31 March 2022	
	Gain on appreciation	Loss on depreciation	Gain on appreciation	Loss on depreciation
5% depreciation / appreciation in Indian Rupees against following foreign currencies:				
USD	38.86	(38.86)	25.37	(35.55)
GBP	0.35	(0.35)	3.93	(3.93)
EUR	1.03	(1.03)	-	-

USD: United States Dollar, GBP: Great British Pound, EUR: Euro

c. Offsetting financial assets and financial liabilities:

The following table represents recognised financial instruments that are subject to enforceable master netting arrangements and similar agreements but not set off as at 31 March 2023 and 31 March 2022.

Variable - rate instruments	As at 31 March 2023	As at 31 March 2022
Amounts subject to master netting arrangements		
Borrowings (non-current and current)	6.94	613.85
Lease liabilities (non-current and current)	14,874.60	11,217.46
	14,881.54	**11,831.31**
Financial instruments collateral		
Trade receivables	-	306.39
Cash and cash equivalents	37.39	557.47
Other balances with banks	-	81.01
Other financial assets	780.18	663.00
	817.57	**1,607.87**
Net amount *	**14,063.97**	**10,223.44**

** Net amount shows the impact on the Group's balance sheet, if all rights were exercised.*

d. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry. Based upon the Group's evaluation, there is no excessive risk concentration.

36. LEASES

A. Leases where the Group is a lessee

The Group leases several assets including buildings for food outlets and warehouse. Lease payments are generally fixed or are linked to revenue with minimum guarantee and lease term ranges 1-30 years.

The Group has limited number of leases where rentals are linked to annual changes in an index (either RPI or CPI).

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i. **Lease liabilities**

Lease liability included in balance sheet	As at 31 March 2023	As at 31 March 2022
Current	1,000.96	912.13
Non-current	13,873.64	10,305.33

Note: Refer note 35 for maturity analysis of lease liabilities.

ii. **Amounts recognised in the Consolidated statement of profit or loss**

	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on right-of-use assets	29	1,391.32	1,076.87
Impairment of right-of-use assets	30	21.95	29.46
Interest on lease liabilities (included in interest expenses)	28	1,400.12	1,092.22
Expenses relating to short-term leases	31	72.87	9.39
Rent concession		-	(358.82)
Expense relating to variable lease payments not included in the measurement of the lease liability	31	1,246.03	955.75
Net impact on statement of profit and loss		**4,132.29**	**2,804.87**

During the year ended 31 March 2023 and 31 March 2022, consequential to COVID-19 pandemic, the Group has negotiated several rent concessions with the landlords. Further, in view of amendments by the Companies (Indian Accounting Standards) Amendment Rules, 2020, the Group has elected to apply the practical expedient of not assessing the rent concessions originally due on or before 30 June 2021 as a lease modification, as per MCA notification dated 24 July 2020, which has been further extended till 30 June 2022 on Ind AS 116 during the current year, for rent concessions received on account of COVID-19 pandemic. Accordingly, as per requirements of MCA notifications, out of total rent concessions of INR Nil (31 March 2022: INR 358.82) confirmed till 31 March 2023, INR Nil (31 March 2022: INR 358.82) has been reduced towards rent expenses.

iii. **Amounts recognised in the consolidated statement of cash flow**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Payment of lease liabilities- principal	814.88	366.35
Payment of lease liabilities- interest	1,400.12	1,083.38
Total cash outflows	**2,215.00**	**1,449.73**

iv. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in Statement of profit and loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

B. Leases where the Group is a lessor

The Group has sub-leased out some of its leased properties primarily in various food courts. All leases are classified as operating leases from a lessor perspective with the exception of certain sub-leases, which the Group has classified as finance subleases.

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i. Finance lease (sub leases classified as finance leases)

During the year ended 31 March 2023 and 31 March 2022, the Group has sub-leased a portion of multiple leased properties that have been presented as part of a right-of-use assets.

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Finance income on net investment in finance leases	24	10.25	10.83
Income relating to variable lease payments not included in the net investment in finance leases	23	8.79	4.06
Finance lease receivables	8	102.80	96.34

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

The maturity analysis of lease receivables, including the undiscounted lease payments to be received are as follows:

Amounts receivable under finance leases:

Particulars	As at 31 March 2023	As at 31 March 2022
Less than one year	24.50	21.36
One to five years	98.09	83.31
More than five years	19.71	36.77
Total undiscounted lease payments receivable	**142.30**	**141.44**
Less: Unearned finance income	(39.50)	(45.10)
Net investment in the lease	**102.80**	**96.34**

The incremental borrowings rate range between 9.25% - 11.55% (31 March 2022: 9.25% - 11.55%).

The management of the Group estimates the loss allowance on finance lease receivables at the end of the reporting period at an amount equal to lifetime expected credit loss under simplified approach. None of the finance lease receivables at the end of the reporting period is past due, and taking into account the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables (see note 8), the management of the Group consider that no finance lease receivable is impaired.

The Group entered into finance leasing arrangements as a lessor for certain leased properties under sub leasing arrangements. The term of finance leases entered into is ranging from 2.92 - 18.01 years (31 March 2022:3.16 - 18.01 years). The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in INR. Residual value risk on such right of use assets under lease is not significant.

ii. Operating lease (sub leases classified as operating leases)

Operating leases, in which the Group is the lessor, relate to leased properties by the Group with lease terms of between 1 to 9 years.

The unguaranteed residual values do not represent a significant risk for the Group, as they relate to leased properties of lessor under sub leasing contracts which are located in a location with active market for lessees. The Group did not identify any indications that this situation will change.

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The following table presents the amounts included in profit or loss.

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Lease income on operating leases	23	59.53	39.64
Therein lease income relating to variable lease payments that do not depend on an index or rate		23.13	28.51

Amounts receivable under operating leases:

Particulars	As at 31 March 2023	As at 31 March 2022
Less than one year	70.38	72.00
One to five years	95.53	140.64
More than five years	9.36	4.42
	175.27	**217.06**

37. OTHER DISCLOSURES IN REGARD TO INVESTMENT PROPERTIES:

i. Information regarding income and expenditure of investment properties:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Rental income derived from investment properties	90.54	96.30
Direct operating expenses (including repairs and maintenance) generating rental income	(25.41)	(21.34)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(7.32)	(2.74)
Profit arising from investment properties before interest, depreciation and indirect expenses	**57.81**	**72.22**
Less: finance cost	(33.72)	(19.22)
Less: depreciation	(34.30)	(39.46)
Less: impairment	-	(65.43)
Loss arising from investment properties before indirect expenses	**(10.21)**	**(51.89)**

ii. Minimum lease payments receivable under operating leases of investment properties are as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Less than one year	70.38	72.00
One to five years	95.53	140.64
More than five years	9.36	4.42

iii. Fair value

Particulars	As at 31 March 2023	As at 31 March 2022
Leasehold Investment Properties *	282.01	244.95
Owned Investment Properties #	178.55	175.45

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Estimation of fair value

* The Group's leasehold investment properties consist of right-of-use assets in leased food courts, which has been determined based on the nature, characteristics of leases of each property.

The fair value of investment property has been determined by independent registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The fair value measurement has been categorized as level 3 inputs and has been arrived at using discounted cash flow projections based on reliable estimates of future cash flows considering growth in rental income of 8% to 10% p.a. (31 March 2022: 8% to 10% p.a) and discount rate of 14.20% (31 March 2022: 12.09%).

The fair value of owned investment property has been determined by independent registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The fair value measurement has been categorized as level 3 inputs. The fair value has been arrived using market prevailing rates applicable to same location.

Impairment of leasehold investment properties

In accordance with Ind AS 36 "Impairment of Assets", such investment is considered as a separate cash generating unit (CGU) for the purpose of impairment review. Management periodically assesses whether there is an indication that such investment may be impaired. For investment, where impairment indicators exists, management compares the carrying amount of such investment with its recoverable amount. Recoverable amount is value in use of the investment computed based upon discounted cash flow projections. As on the reporting date for current year, the recoverable amount of this cash generating unit is determined at INR 282.01 (31 March 2022: INR 244.95) through an registered independent valuer, based on the value in use calculation which uses cash flow projections based on the projected business operations. The Group has determined an impairment charge of INR Nil (31 March 2022: 65.43) based on the discount rate of 14.20% p.a (31 March 2022: 12.09% p.a) and rental income growth rate of 8.00% to 10.00% (31 March 2022: 8.00% to 10.00%). An analysis of the sensitivity of the computation to a change in key parameters (rental income and discount rates), based on reasonable assumptions, Management is of the view that there would be no material impact to the impairment charge which has already been recognised in the standalone financial statements of the Company in the previous year. Further, there is significant headroom available between carrying values of leasehold investment properties and its recoverable value as at reporting dates.

38. RELATED PARTY DISCLOSURES

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

(a) Parent and Ultimate Controlling Party:

RJ Corp Limited

(b) Wholly owned subsidiaries:

Devyani International (Nepal) Private Limited

Devyani Food Street Private Limited

Devyani Airport Services (Mumbai) Private Limited (with effect from 13 July 2021)

(c) Subsidiaries:

RV Enterprizes Pte. Limited

Devyani Airport Services (Mumbai) Private Limited (till 12 July 2021)

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

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

(a) Parent and Ultimate Controlling Party:

RJ Corp Limited

(b) Key management personnel (KMP) # :

Mr. Ravi Kant Jaipuria - Director

Mr. Varun Jaipuria - Director

Mr. Raj Pal Gandhi - Director

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

Mr. Manish Dawar- Chief Financial Officer and Director (with effect from 17 February 2021)

Mr. Rahul Suresh Shinde - Whole time Director (with effect from 2 May 2022)

Mrs. Rashmi Dhariwal- Independent Director

Mr. Ravi Gupta - Independent Director

Mr. Naresh Trehan - Independent Director (with effect from 21 April 2021)

Mr. Girish Kumar Ahuja - Independent Director (with effect from 21 April 2021)

Mr. Pradeep Khushachand Sardana - Independent Director (with effect from 21 April 2021)

Mr. Prashant Purker - Independent Director (with effect from 02 May 2022)

Mr. Varun Kumar Prabhakar - Company Secretary (with effect from 02 May 2022)

Mr. Jatin Mahajan - Company Secretary (with effect from 01 November 2021 to 10 March 2022)

Mr. Anil Dwivedi - Company Secretary (with effect from 7 February 2020 to 13 October 2021)

(c) Other related parties - Entities which are joint venture or where control/significant influence exist of parties given in note (I) and (II) above :

S V S India Private Limited

Devyani Food Industries Limited

Alisha Retail Private Limited

Lineage Healthcare Limited

Modern Montessori International (India) Private Limited

Varun Beverages Limited

Champa Devi Jaipuria Charitable Trust

Mala Jaipuria Foundation

DIL Employee Gratuity Trust

Global Health Patliputra Pvt. Ltd.

Global Health Limited (converted into Public Limited with effect from 11 August 2021 formerly known as Global Health Private Limited)

Medanta Holdings Private Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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High Street Food Services Private Limited (till 12 July 2021)

Chellarams Plc

Varun Beverage Nepal Private Limited

(d) **Relative of key managerial personnel**

Mrs. Dhara Jaipuria (wife of Mr. Ravi Kant Jaipuria - Director)

As per section 203 of the Companies Act, 2013, definition of Key Managerial Personnel includes Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Company Secretary.

(III) Transactions with related parties during the year ended 31 March 2023 and 31 March 2022:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(i) Sale of products (Finished goods)		
Champa Devi Jaipuria Charitable Trust	56.31	3.95
RJ Corp Limited	-	0.01
Devyani Food Industries Limited	59.73	46.02
Mala Jaipuria Foundation	1.64	-
Modern Montessori International (India) Private Limited	1.15	
Global Health Limited	0.07	0.03
(ii) Sale of products (Traded goods)		
RJ Corp Limited	0.07	2.25
Varun Beverages Limited	0.87	0.50
(iii) Marketing and other services		
Lineage Healthcare Limited	0.09	0.09
RJ Corp Limited	-	2.72
(iv) Purchase of raw materials and other items		
Varun Beverages Limited	98.58	62.08
Devyani Food Industries Limited	6.79	6.64
Varun Beverage Nepal Private Limited	8.55	-
RJ Corp Limited	0.09	0.31
(v) Payment to gratuity trust		
DIL Employee Gratuity Trust	30.10	29.90
(vi) Expenses incurred by other company on behalf of the Group		
RJ Corp Limited	1.83	-
Varun Beverages Limited	2.89	4.11
(vii) Expenses incurred/(collection) on behalf of other company		
RJ Corp Limited	2.72	0.07
(viii) Rent expense		
S V S India Private Limited	0.09	0.08
Global Health Limited	32.08	25.57
Medanta Holdings Private Limited	8.57	5.21
Global Health Patliputra Pvt. Ltd.	2.08	-

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Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(ix) Rent Income		
RJ Corp Limited	0.24	0.24
(x) Professional Fees - Expenses		
RJ Corp Limited	-	2.09
(xi) Repair and maintenance - others		
Varun Beverages Limited	-	2.01
(xii) Power , Fuel and other delivery charges		
Medanta Holdings Private Limited	0.97	0.58
(xiii) Staff welfare Expenses		
Global Health Limited	-	0.13
(xiv) Purchase of investment		
High Street Food Services Private Limited	-	69.04
(xv) Repayment of loan		
High Street Food Services Private Limited	-	0.39
(xvi) Finance costs		
High Street Food Services Private Limited	-	0.01
(xvii) Compensation to KMPs#		
Short-term employment benefits		
Mr. Virag Joshi	44.88	39.61
Mr. Rahul Suresh Shinde	35.08	-
Mr. Manish Dawar	43.55	37.48
Mr. Anil Dwivedi	-	1.64
Mr. Jatin Mahajan	-	1.39
Mr. Varun Prabhakar	3.57	-
Post employment benefits		
Mr. Virag Joshi	1.73	1.42
Mr. Rahul Suresh Shinde	0.02	-
Mr. Manish Dawar	1.80	1.80
Mr. Anil Dwivedi	-	0.07
Mr. Jatin Mahajan	-	0.01
Mr. Varun Prabhakar	0.13	-
Share based payments		
Mr. Manish Dawar	20.84	37.02
Mr. Rahul Suresh Shinde	68.60	-
Mr. Varun Prabhakar	0.02	
(xviii) Compensation to relative of KMP		
Mrs.Dhara Jaipuria	-	3.00
#The above remuneration to Key managerial personnel does not include contribution to gratuity fund and compensated absences, as this contribution is a lump sum amount for all relevant employees based on actuarial valuation.		

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Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(xix) Director's Sitting Fees*		
Mr. Ravi Gupta	1.30	2.10
Mrs.Rashmi Dhariwal	1.20	2.10
Mr.Girish Ahuja	0.80	1.60
Mr. Pradeep Khushalchand Sardana	0.40	1.00
Mr. Prashant Purker	0.40	-
*Excludes applicable taxes.		
(xx) Commission paid to non-executive director		
Mr. Ravi Kant Jaipuria	23.44	12.60
(xxi) Equity shares allotted (including securities premium)		
Mr. Manish Dawar	-	39.00
Mr. Varun Prabhakar	0.23	-

(IV) Balances as at 31 March 2023 and 31 March 2022:

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Trade payables/other payable		
Varun Beverages Limited	20.39	1.37
Global Health Limited	-	0.08
Chellarams Plc	7.53	7.99
Mr. Ravi Kant Jaipuria	23.44	12.60
Varun Beverage Nepal Private Limited	0.51	-
(ii) Employee stock options outstanding account #		
Mr. Manish Dawar	42.90	37.83
Mr. Rahul Suresh Shinde	68.60	
# The above denotes value of certain employee stock options granted to key managerial personnel pending vesting/exercise.		
(iii) Trade receivables		
RJ Corp Limited	2.49	0.06
Champa Devi Jaipuria Charitable Trust	7.55	1.61
Lineage Healthcare Limited	0.01	0.01
Mala Jaipuria Foundation	0.39	-
Devyani Food Industries Limited	2.85	0.97
Global Health Private Limited	0.01	-
Modern Montessori International (India) Private Limited	0.11	-
(iv) Other financial assets - Other receivables/security deposit		
Global Health Limited	0.50	0.50
Medanta Holdings Private Limited	0.50	0.50
Global Health Patliputra Pvt. Ltd.	0.50	-
(v) Borrowings		
Chellarams Plc	766.60	710.95

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(V) Terms and conditions

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

39. CONTINGENT LIABILITIES, COMMITMENTS AND OTHER CLAIMS

Contingent liabilities and other claims:

(a) Claims against the Group not acknowledged as debts-:

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Claims made by Sales tax authorities, Service tax authorities and Income tax authorities *		
- Goods and service tax (on account of input credit mismatches)	138.45	138.45
- Value added tax	30.26	33.07
- Service tax	15.37	15.37
- Income tax (on account of expense disallowances and certain additions made by tax authorities)	292.47	282.56
	476.55	**469.45**
(ii) Others (miscellaneous claims in relation to the Group's #operations) #	26.85	17.75

**Against the total tax demand of INR 476.55 (31 March 2022: INR 469.45) the Group has filed appeals before various tax authorities. Based on management assessment and upon consideration of advice from the independent legal counsels, the management believes that the Group has reasonable chances of succeeding before the tax authorities and does not foresee any material liability. Pending the final decision on this matter, no adjustment has been made in the financial statements.*

#The Group is party to various legal proceedings in the normal course of business and does not expect the outcome of these proceedings to have any adverse effect on the consolidated financial statements and hence no provision has been recorded against these legal proceedings at this stage. Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities. Accordingly, the above mentioned contingent liabilities are disclosed at an undiscounted amount.

(b) Bank guarantee given to custom department, Nepal	0.19	0.19

(c) Others

Particulars	As at 31 March 2023	As at 31 March 2022
Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for [(net of advances of INR 159.37 (31 March 2022: INR 282.80)]	1,616.66	1,115.68

Note: Also, the Company has entered Development Agreements with Yum Restaurant (India) Private Limited and Costa International Limited. Based on such agreements, the Group has commitments to open specified number of restaurants under respective agreements from time to time. The amount of such commitments is not quantifiable as of now.

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40. SHARE BASED PAYMENTS

a. Description of share based payment arrangements

i. Share Options Schemes (equity settled)

ESOS - 2011

On 20 September 2011 and 20 December 2011, the Board of Directors approved the Employees Stock Option Scheme 2011 ("ESOS 2011"), which was approved by the shareholders on 20 December 2011 and subsequently on 18 May 2012 for increasing the ceiling limit to 49,00,000 Options ("Ceiling Limit") with condition at any given point of time no Grantee shall be granted Options during any one year, equal to or exceeding 1% of the issued capital of the Company except with the specific approval of the members accorded in a general body meeting. As per ESOS 2011, holders of vested Options are entitled to purchase one equity share for every Option at an exercise price of INR 111.70. ESOS 2011 was formulated with the objective to enable the Company to grant Options for equity shares of the Company to certain eligible employees, officers and directors of the Company and its subsidiaries, to purchase shares from the Company at a pre-determined price. A resolution was passed in the meeting of the Board of Directors held on 6 May 2014 wherein certain additional Options were granted at the same terms and conditions as mentioned in ESOS 2011.

Further, ESOS 2011 was amended subsequently and was approved by the shareholders on 17 March 2021. The resolution provides the delinking of vesting schedule of the Options from filing of the red herring prospectus (RHP) by the Company and for aligning the Scheme in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended, read with the SEBI Circular no. CIR/CFD/POLICY CELL/2/2015 dated 16 June 2015 (“SEBI SBEB Regulations”) and accordingly all Options under ESOS 2011 were vested immediately on the day of passing the said resolution and the exercise window for ESOS 2011 was opened by the Nomination and Remuneration Committee on 17 March 2021.

ESOS - 2018

On 6 April 2018, the Board of Directors approved the Employees Stock Option Scheme 2018 ("ESOS 2018"), which was approved by the shareholders on 21 September 2018. ESOS 2018 has been formulated with the same objective as ESOS 2011. ESOS 2018 provides that Options so granted, shall not represent more than 5% of the fully diluted share capital of the Company at any given point of time ("Ceiling Limit") and no Grantee shall be granted Options during any one year, equal to or exceeding 1% of the issued capital of the Company except with the specific approval of the members accorded in a general body meeting. As per ESOS 2018 Grant letters, holders of vested Options are entitled to purchase one equity share for every Option at an exercise price of INR 306.12.

Further ESOS 2018 was subsequently amended and approved by the shareholders on 17 March 2021 for linking the vesting of options to listing date of shares of the Company and to align the Scheme with compliance requirement of SEBI (Share Based Employee Benefits) Regulations, 2014, as amended, read with the SEBI Circular no. CIR/CFD/POLICY CELL/2/2015 dated 16 June 2015 (“SEBI SBEB Regulations”). Under the ESOS 2018, no vesting shall occur until date of listing of shares on recognized Stock Exchanges by the Company in respect of proposed offer.

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ESOS- 2021

On 17 March 2021, the Board of Directors approved the Employees Stock Option Scheme 2021 ("ESOS 2021") in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended, read with the SEBI Circular no. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 ("SEBI SBEB Regulations"), which was approved by the shareholders on 17 March 2021. ESOS 2021 was formulated with the same objective of ESOS 2011 and ESOS 2018.

ESOS 2021 provides that Options so granted, shall not represent more than 5% of the fully diluted share capital of the Company at any given point of time ("Ceiling Limit") and no Grantee shall be granted Options during any one year, equal to or exceeding 1% of the issued capital of the Company except with the specific approval of the members accorded in a general body meeting by way of a special resolution. As per ESOS 2021 Grant letters, holders of vested Options are entitled to purchase one equity share for every Option at an exercise price of INR 433.28.

Note: The aforementioned schemes have been defined prior to giving effect to stock split from INR 10/- to INR 1/- dated 25 March 2021.

The Options were granted on the dates as mentioned in the table below:

Scheme	Grant Date	Number of Options granted	Exercise Price (INR) (Post Split)	Vesting Condition	Remaining vesting period	Remaining contractual period
ESOS - 2011	19 May 2012	20,882,000	11.17	Graded vesting over 4 years or after the filling of RHP by the Company for the purpose of IPO, whichever is later.	- *	0 years to 3 years (Previous year: 0 years to 4 years)
ESOS - 2018	21 September 2018	5,060,000	30.61	Graded vesting over 4 years or after the filling of RHP by the Company for the purpose of IPO, whichever is later.	- #	(Previous year: 0.25 years to 5.76 years)
ESOS - 2021	17 March 2021	7,200,000	43.33	Graded vesting over 4 years being first vesting due on 17 March 2022	17 March 2024 to 17 March 2025	0 years to 7 years (Previous year: 0 year to 8 years)
ESOS -2021	31 August 2022	2,140,000	159.00	Graded vesting over 4 years being first vesting due on 31 August 2023	31 August 2023 to 31 August 2026	1 year to 9 years
ESOS -2021	09 February 2023	250,000	177.00	Graded vesting over 4 years being first vesting due on 09 February 2024	09 February 2024 to 09 February 2027	1 year to 9 years

** As mentioned above, ESOS - 2011 was amended and approved in shareholders meeting dated 17 March 2021. Accordingly, all Options under ESOS 2011 were vested immediately on the day of passing the said resolution.*

 # As mentioned above, ESOS - 2018 was amended and approved in shareholders meeting dated 17 March 2021 for linking the vesting of options to listing date of shares of the Company.

Note - Exercise period in every scheme is maximum five years from the date of vesting of shares.

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b. Measurement of fair values

The fair values are measured based on the Black-Scholes-Merton model. The fair value of the options and inputs used in the measurement of the grant date fair values of the equity -settled share based payments are as follows:

Particulars	Options granted on 09 February 2023	Options granted on 31 August 2022	Options granted on 17 March 2021	Options granted on 21 September 2018	Options granted on 19 May 2012
Fair value per Option at grant date (in INR)	82.46 - 100.65	106.39 - 125.17	18.35 - 23.94	10.53 - 13.30	5.64 - 5.72
Share price at grant date (in INR)	159.95	184.05	43.30	26.90	9.32
Exercise price (in INR)	177.00	159.00	43.33	30.61	11.17
Expected volatility	62.40% - 68.60%	59.90% - 69.00%	45.60% - 50.50%	35.27% - 35.77%	43.03%
Expected life (in years)	3.50 - 6.50	3.50 - 6.50	3.50 - 6.50	4.75 - 6.75	8.38 - 8.63
Expected dividends	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate	6.91% - 7.02%	6.62% - 6.88%	5.39% - 6.31%	8.06% - 8.11%	8.50% - 8.51%

The risk free interest rates are determined based on current yield to maturity of 10 years Government Bonds with similar residual maturity equal to expected life of the Options. Expected volatility calculation is based on historical daily closing stock prices of competitors using standard deviation of daily change in stock price. The minimum life of the stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which options cannot be exercised. The expected life has been considered based on average of maximum life and minimum life and may not necessarily be indicative of exercise patterns that may occur.

c. Effect of employee stock option schemes on the consolidated statement of profit and loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Employee stock option scheme expense*	109.35	64.87
	109.35	**64.87**

**included in Salaries, wages and bonus (refer note 27)*

d. Reconciliation of outstanding share options

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of options	Weighted average exercise price (INR)	Number of options	Weighted average exercise price (INR)
Number of Options granted, exercised and forfeited				
Options outstanding as at the beginning of the year	5,327,500	40.55	8,580,000	40.47
Add: Options granted during the year	2,390,000	160.88	-	-
Less: Options exercised during the year*	712,500	38.78	2,212,500	38.93
Less: Options forfeited/ lapsed during the year	120,000	43.33	1,040,000	43.33
Options outstanding as at the end of the year	**6,885,000**	**82.45**	**5,327,500**	**40.55**
Options exercisable at the end of the year	1,310,000	34.49	452,500	17.74
Weighted average share price at exercise date (INR)		145.67		159.80

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* INR 14.46 has been received for 342,500 options as share application money for which allotment is pending as on 31 March 2023 (refer note 15).

Particulars	As at 31 March 2023	As at 31 March 2022
Weighted average remaining life of options outstanding at the end of year (in years)	5.68	5.58

41. CAPITALISATION OF EXPENDITURE INCURRED DURING CONSTRUCTION PERIOD (REFER NOTE 3A & 3B)

The Group has commenced operations of certain quick service restaurants (stores) during the year ended 31 March 2023 and 31 March 2022. Certain directly attributable costs are incurred on commissioning of the quick service restaurants up to the date of commercial operations. This cost has been apportioned to certain property, plant and equipment on reasonable basis. Details of such costs capitalised is as under :-

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Employee benefits expense	151.16	82.56
Other expenses (includes rent, freight and architect fees etc.)	97.13	75.09
	248.29	**157.65**

42. IMPAIRMENT OF NON-FINANCIAL ASSETS

In accordance with Ind AS 36 ""Impairment of Assets"", the Group has identified individual quick service restaurants (stores) as a separate cash generating unit (CGU) for the purpose of impairment review. Management periodically assesses whether there is an indication that an asset may be impaired using a benchmark of two-year's history of operating losses or marginal profits for a store. In view of higher operating costs or decline in projected sales growth, certain stores have been impaired in the current and previous years. Based on the results of impairment testing for these stores in the current year, the property, plant and equipment, right-of-use assets and other intangible assets, carrying value of these stores aggregating INR 451.83 (net of opening provision for impairment of INR 53.38 (31 March 2022: INR 542.05 net of opening impairment provision of INR 5.05) have been reduced to the recoverable amount aggregating to INR 368.03 (31 March 2022: INR 409.97) by way of impairment charge of INR 83.80 (31 March 2022: INR 132.07). Recoverable amount is value in use of these stores computed based upon projected cash flows from operations with sales growth of Nil - 6% (31 March 2022: Nil-5%) and salary growth rate of 6% (31 March 2022: 6%), over balance lease term, discounted at rate (determined by an independent registered valuer) of 14.20% p.a (31 March 2022: 12.15 % p.a.). Carrying value of a store includes property, plant and equipment, intangible assets used at a store and right-of-use assets and allocated corporate assets. Further carrying value and recoverable value of each store is calculated net of lease liabilities.

Moreover, the impairment reversal of INR 89.20 (31 March 2022: INR 162.24) is primarily on account of stores where the actual sales growth rate has exceeded the projected sales growth rate, hence the recoverable amount aggregating to INR 4,005.06 (31 March 2022: INR 2,837.03) has exceeded the written down value of these stores aggregating INR 2,119.35 (after considering impairment charge recorded in previous years amounting to INR 335.61) (31 March 2022: INR 1,860.89 after considering impairment charge recorded in preceding previous year amounting to INR 403.92).

The key assumptions have been determined based on management's calculations after considering, past experiences and other available internal information and are consistent with external sources of information to the extent applicable.

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

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Impairment (reversal)/charge	For the year ended 31 March 2023	For the year ended 31 March 2022
Impairment charge for non financial assets	83.80	132.08
Impairment reversal for non financial assets	(89.20)	(162.23)
Impairment (reversal)/charge	**(5.40)**	**(30.15)**

Sensitivity analysis	For the year ended 31 March 2023	For the year ended 31 March 2022
Discount Rate		
(Increase by 1%)	2.69	3.34
(Decrease by 1%)	(3.81)	(3.43)
Sales Growth Rate		
(Increase by 1%)	(12.91)	(15.86)
(Decrease by 1%)	9.60	16.84
Salary Growth Rate		
(Increase by 1%)	2.17	5.37
(Decrease by 1%)	2.14	(5.41)

43. TRANSFER PRICING

The Company has established a comprehensive system of maintenance of information and documents that are required by the transfer pricing legislation under Section 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by due date as required under the law. The management is of the opinion that its international transactions with the associated enterprises are at arm's length so that the aforesaid legislation will not have any impact on the consolidated financial statements, particularly on the amount of tax expense and that of provision for taxation.

44. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital, all other equity reserves attributable to the equity holders of the Company and combination of both long-term and short-term borrowings. The Group's objective for capital management is to maximize shareholder's value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plan and other strategic investment plans. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group's funding requirements are met through equity infusions, internal accruals and a combination of both long-term and short-term borrowings. The Group raises long term loans mostly for its expansion requirements and based on the working capital requirement utilise the working capital facilities. The Group monitors capital on the basis of consolidated total debt to consolidated total equity on a periodic basis. As a part of its capital management policy the Group ensures compliance with all covenants and other capital requirements related to its contractual obligations. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2023 and 31 March 2022.

Particulars	As at 31 March 2023	As at 31 March 2022
Borrowings (non-current and current)	773.54	1,324.80
Total debt (a)	**773.54**	**1,324.80**
Equity share capital	1,204.96	1,204.74
Other equity	8,498.50	5,658.29
Non-controlling interests	(61.57)	(47.42)
Total equity (b)	**9,641.89**	**6,815.61**
Debt equity ratio (c=a/b)	0.08	0.19

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

45. EMPLOYEE BENEFITS

I. Defined contribution plans

An amount of INR 211.10 (31 March 2022: INR 132.54) has been recognised as an expense in respect of the Group's contribution to the Employees' Provident Fund and other fund deposited with the relevant authorities and has been charged to the Consolidated Statement of Profit and Loss.

II. Defined benefit plans*

The Group operates a gratuity plan wherein every employee is entitled to the benefit. Gratuity is payable to all eligible employees (who have completed 5 years or more of service) of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payments of Gratuity Act, 1972. Gratuity liability is partially funded by the Company through annual contribution to DIL Employees Gratuity Trust (the 'Trust') against ascertained gratuity liability. Trustees administer contributions made to the Trust and contributions are invested in a scheme with the Life Insurance Corporation of India as permitted by law of India.

The funding requirements of the plan are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purpose for which assumptions may differ from the assumptions set out in (iii) below. Employees do not contribute to the plan.

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

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

i. Changes in present value of defined benefit obligation:

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of obligation as at beginning of year	180.52	165.71
Interest cost	10.07	8.15
Current service cost	25.28	23.78
Benefits paid	(24.60)	(15.91)
Actuarial loss recognised in other comprehensive income		
- changes in financial assumption	(6.54)	(0.27)
- experience adjustment	10.63	(0.35)
Exchange differences on translation	(0.61)	(0.59)
Present value of obligation as at end of year	**194.75**	**180.52**

ii. Reconciliation of the present value of plan assets :

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	18.13	0.24
Return on plan assets recognised in other comprehensive income	1.81	0.72
Fund Charges	-	(0.08)
Contribution paid into the plan	30.10	29.90
Benefits paid	(22.90)	(12.65)
Balance at the end of the year	**27.14**	**18.13**
Net defined benefit liability	**167.61**	**162.39**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

iii. Actuarial assumptions

A. Economic assumptions

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

Particulars	31 March 2023	31 March 2022
Discounting rate	7.04% - 13%	4% - 13%
Future salary increase	6% - 11%	6% - 11%

B. Demographic assumptions

Particulars	31 March 2023	31 March 2022
(i) Retirement age (years)	**58-60**	**58-60**
(ii) Ages	**Withdrawal rate per annum(%)**	**Withdrawal rate per annum(%)**
Up to 30 years	50	50
From 31 to 44 years	37	37
Above 44 years	30	30
(iii) Average duration of defined benefit obligation (years)	1.73 - 5.60	1.67- 5.60

(iii) Assumptions regarding future mortality are not based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into an average life expectancy in years for a retiring employee.

iv. Information for funded plans with a defined benefit obligation:

Particulars	As at 31 March 2023	As at 31 March 2022
Defined benefit obligations	194.75	180.52
Fair value of plan assets	27.14	18.13
	167.61	**162.39**

v. Expense recognised in Consolidated Profit or Loss:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Employee benefit expenses:		
(a) Current service cost	25.28	23.78
(b) Interest cost	10.07	8.15
(c) Interest income on plan assets	(0.90)	(0.01)
	34.45	**31.92**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

vi. Remeasurement recognised in other comprehensive income:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial gain/(loss) on defined benefit obligation	(4.09)	0.63
Actuarial gain/(loss) on plan assets	0.90	0.64
	(3.19)	1.27
Expenses recognised in Consolidated Statement of profit and loss	**37.64**	**30.65**

vii. Reconciliation statement of expense in Consolidated Statement of Profit and Loss:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Present value of obligation as at the end of the year	194.75	180.52
Present value of obligation as at the beginning of the year	(180.52)	(165.52)
Benefits paid	24.60	15.91
Actual return on plan assets	(1.81)	(0.65)
Acquisition adjustment	-	-
Exchange differences on translation	0.62	0.39
Expenses recognised in the Consolidated Statement of Profit and Loss	**37.64**	**30.65**

The Group expects to contribute INR 31.81 (31 March 2022 INR 30.00) to gratuity in the next year.

viii. Change in fair value of plan assets:

Particulars	As at 31 March 2023	As at 31 March 2022
Opening fair value of plan assets	18.13	0.24
Actual return on plan assets	1.81	0.72
Fund charges	-	(0.08)
Contribution by employer	30.10	29.90
Benefits paid	(22.90)	(12.65)
Fair value of plan assets as at year end	**27.14**	**18.13**

ix. The Group's expected maturity analysis of undiscounted defined benefit liability is as follows:

Particulars	Less than a year	Between one to two years	Between two to five years	Over five years
31 March 2023	69.19	30.71	52.11	42.75
31 March 2022	60.61	42.06	69.95	102.12

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

Particulars	As at 31 March 2023	As at 31 March 2022
Current liability (amount due within one year)	61.33	54.62
Non-current liability (amount due over one year)	106.28	107.58
	167.61	**162.20**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

xi. Sensitivity analysis

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	As at 31 March 2023	As at 31 March 2022
Impact of the change in discount rate on defined benefit obligation		
a) Impact due to increase of 1%	(5.01)	(3.12)
b) Impact due to decrease of 1%	**5.17**	**3.04**
Impact of the change in Salary on defined benefit obligation		

Particulars	As at 31 March 2023	As at 31 March 2022
a) Impact due to increase of 1%	5.16	3.00
b) Impact due to decrease of 1%	(5.05)	(3.10)

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

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

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

Risk exposure:

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

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

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

III. Compensated absences

Expense recognised in the consolidated statement of profit or loss:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Employee benefit expenses:		
(a) Current service cost	28.10	20.71
(b) Interest cost	4.78	4.09
(c) Net actuarial loss recognized in the year	(4.90)	0.85
	27.98	**25.65**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

IV. Code of Social Security

The Code on Social Security, 2020 ("the Code") relating to employee benefits during employment and post-employment received Presidential assent in September 2020. Subsequently, the Ministry of Labour and Employment had released the draft rules on the aforementioned Code. However, the same is yet to be notified. The Group will evaluate the impact and make necessary adjustments to the financial statements in the period when the Code will be notified and will come into effect.

46. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group. The CODM is considered to be the Board of Directors who make strategic decisions and is responsible for allocating resources and assessing the financial performance of the operating segments.

The Group's business activity falls within a single business i.e. Food and Beverages in terms of Ind AS 108 on Segment Reporting. Information about secondary segment (Consolidated basis) The geographical segments considered are "within India" and "outside India". The relevant disclosure are as follows:

Information about geographical area

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
a. Food and beverage segment #		
(i) Within India	27,742.81	18,938.29
(ii) Outside India	2,234.42	1,901.81
b. Other income (refer note 24) @	325.85	161.21
Total	**30,303.08**	**21,001.31**

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current assets ^		
(i) Within India	23,052.76	16,721.03
(ii) Outside India	1,590.02	1,231.10
Total	**24,642.78**	**17,952.13**

No single external customer amounts to 10% or more of the Group's revenue.

 # Revenue from food and beverage segment is directly attributed to within India and outside India operations.

@ Other income is not allocated as the underlying assets/ liabilities/income are used interchangeably.

^ Non-current assets, other than financial instruments and income tax assets (net)/deferred tax asset (net), primarily comprises property, plant and equipment.

47. LOAN TO STEP-DOWN SUBSIDIARY TREATED AS NET INVESTMENT

Pursuant to the loan arrangement entered between RV Enterprises Pte Limited (Singapore subsidiary) and Devyani International (Nigeria) Limited (step down subsidiary) during the current year, w.e.f 1 January 2023 onwards, the loan given to Nigerian step down subsidiary by Singapore subsidiary has been treated as net investment in the Nigerian operations and accordingly, exchange difference loss amounting to INR 37.27 arising in relation to these loans have been recognized in 'Other comprehensive Income' in the consolidated financials statements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

48. NON-CONTROLLING INTERESTS (NCI)

The following table summarises the financial information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations:

Particulars	RV Enterprizes Pte. Limited*		Devyani Airport Services (Mumbai) Private Limited	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
NCI Percentage	13%	13%		49% #
Summary of balance sheet				
Non-current assets	1,244.31	524.09	-	-
Current assets	209.54	686.62	-	-
Non-current liabilities	(1,561.79)	(662.35)	-	-
Current liabilities	(433.08)	(1,125.52)	-	-
Net assets	**(541.02)**	**(577.17)**	**-**	**-**
Accumulated NCI	(61.57)	(47.42)	-	(345.36)
Reversal of NCI	-	-	-	345.36
Net NCI	**(61.57)**	**(47.42)**	**-**	**-**
Summary of statement of profit and loss				
Total revenue	1,663.31	1,433.28	-	26.23
Profit/(loss) for the year	(84.73)	1.05	-	(26.47)
Other comprehensive income/(loss) for the year	118.18	138.11	-	(0.14)
Total comprehensive income/(loss) for the year	**33.45**	**139.16**	**-**	**(26.61)**
Profit/(loss) allocated to NCI	(24.83)	0.76	-	(12.97)
Other comprehensive income allocated to NCI	10.68	38.16	-	(0.07)
Total comprehensive income allocated to NCI	**(14.15)**	**38.92**	**-**	**(13.04)**
Summary of cash flow statement				
Cash flows generated from operating activities	331.00	412.39	-	2.06
Cash flows used in investing activities	(280.56)	(200.56)	-	1.24
Cash flows generated used in financing activities	(97.72)	(195.56)	-	(7.28)
Net increase/(decrease) in cash and cash equivalents	**(47.28)**	**16.27**	**-**	**(3.98)**

** Post consolidation of Devyani International (Nigeria) Limited (Subsidiary of RV Enterprizes Pte. Limited)*

 # on 12 July 2021 the Company purchased the shares of Devyani Airport Services Mumbai Private Limited (DASMPL), held by High Street Food Services Private Limited (49% shares) for a consideration of INR 0.74.

Transactions with NCI (adjustments with in other equity)

Particulars	As at 31 March 2023	As at 31 March 2022
Acquisition of shares from non-controlling stake holder	-	0.74
Reversal of NCI on acquiring 100% stake in Devyani Airport Services (Mumbai) Private Limited	-	(346.10)
Total	**-**	**(345.36)**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

49. ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III TO THE ACT:

As at 31 March 2023

Name of the entity in the group	Net assets (Total assets - Total liabilities)		Share in profit/(loss)		Share in other comprehensive income/ (loss)		Share in total comprehensive income/ (loss)	
	As % of consolidated Net assets	Amount	As % of consolidated profit	Amount	As % of consolidated other comprehensive income/(loss)	Amount	As % of consolidated total comprehensive Income/(loss)	Amount
Parent								
Devyani International Limited (DIL)	119.50%	11,522.05	93.74%	2,460.72	(0.87%)	(0.61)	91.26%	2,460.11
Subsidiaries								
(Parent's share)								
Subsidiaries incorporated in India								
Devyani Food Street Private Limited	0.35%	34.09	5.26%	138.16	(0.06%)	(0.04)	5.12%	138.12
Devyani Airport Services (Mumbai) Private Limited	(4.64%)	(447.23)	0.11%	2.97	0.14%	0.10	0.11%	3.07
Subsidiaries incorporated outside India								
Devyani International (Nepal) Private Limited	2.07%	199.57	2.72%	71.53	0.00%	-	2.65%	71.53
RV Enterprizes Pte. Limited	(5.39%)	(519.75)	(0.87%)	(22.72)	156.17%	110.02	3.24%	87.30
Non controlling interest								
Subsidiaries incorporated in India								
Devyani Airport Services (Mumbai) Private Limited	-	-	0.00%	-	0.00%	-	0.00%	-
Subsidiaries incorporated outside India								
RV Enterprizes Pte. Limited	(0.64%)	(61.57)	(0.95%)	(24.83)	15.16%	10.68	(0.52%)	(14.15)
Inter group eliminations	(11.26%)	(1,085.27)	(0.03%)	(0.69)	(70.55%)	(49.70)	(1.87%)	(50.39)
As at 31 March 2023	**100.00%**	**9,641.89**	**100.00%**	**2,625.14**	**100.00%**	**70.45**	**100.00%**	**2,695.59**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

As at 31 March 2022

Name of the entity in the group	Net assets (Total assets - Total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated Net assets	Amount	As % of consolidated loss	Amount	As % of consolidated other comprehensive income/(loss)	Amount	As % of consolidated total comprehensive Income/(loss)	Amount
Parent								
Devyani International Limited (DIL)	131.04%	8,931.25	98.88%	1,533.83	1.17%	1.66	90.72%	1,535.49
Subsidiaries								
(Parent's share)								
Subsidiaries Incorporated in India								
Devyani Food Street Private Limited	(1.53%)	(104.03)	(0.95%)	(14.80)	0.08%	0.11	(0.87%)	(14.69)
Devyani Airport Services (Mumbai) Private Limited	(6.61%)	(450.30)	(6.39%)	(99.09)	0.15%	0.21	(5.84%)	(98.88)
Subsidiaries Incorporated outside India								
Devyani International (Nepal) Private Limited	1.90%	129.39	2.51%	38.98	(0.34%)	(0.48)	2.27%	38.50
RV Enterprizes Pte. Limited	(8.32%)	(567.36)	0.02%	0.31	70.68%	99.95	5.92%	100.27
Non controlling interest								
Subsidiaries Incorporated in India								
Devyani Airport Services (Mumbai) Private Limited			(0.84%)	(12.97)	(0.05%)	(0.07)	(0.77%)	(13.04)
Subsidiaries Incorporated outside India								
RV Enterprizes Pte. Limited	(0.70%)	(47.42)	0.05%	0.76	26.98%	38.16	2.30%	38.91
Inter group eliminations	(15.79%)	(1,075.92)	6.71%	104.13	1.32%	1.87	6.26%	106.00
At 31 March 2022	**100.00%**	**6,815.61**	**100.00%**	**1,551.15**	**100.00%**	**141.41**	**100.00%**	**1,692.56**

50. The Board of Directors of the Company ("Board") at its meeting dated 13 December 2021, had approved the Scheme of Amalgamation (the 'Scheme') for amalgamation of Devyani Food Street Private Limited and Devyani Airport Services (Mumbai) Private Limited (both are wholly owned subsidiary companies) with the Company. The Scheme was filed with the Hon'ble National Company Law Tribunal, New Delhi (NCLT) on 17 September 2022, and the NCLT had approved the first motion application on 11 November 2022. The equity shareholders and unsecured creditors of the Company at their respective meetings held on December 29, 2022, had approved the Scheme with requisite majority. Subsequently, the Company has filed second motion petition with NCLT and the Scheme is pending for final approval.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

51. INITIAL PUBLIC OFFERING (IPO).

The Company has completed its Initial Public Offer ("IPO") of 204,222,218 Equity Shares of Face Value of INR 1/- each ("equity shares") for a price of INR 90/- per Equity Share (including a share premium of INR 89/- per Equity Share) aggregating to INR 18,380 comprising a fresh issue of 48,888,888 Equity Shares for INR 4,400 (the "fresh issue") and an Offer for Sale of 155,333,330 Equity Shares for INR 13,980. The Equity Shares of the Company got listed with BSE Limited and National Stock Exchange of India Limited on 16 August 2021.

The utilisation of the fresh issue proceeds is summarised below:

Objects of the issue as per prospectus	Utilization planned as per prospectus	Total utilized upto 31 March 2022*	Amount pending for utilization as at 31 March 2022
Payment of share issue expenses	151.81	158.40	-
Repayment/prepayment of borrowings	3,240.00	3,419.70	-
General corporate purposes	1,008.19	821.90	-
Total	**4,400.00**	**4,400.00**	**-**

** Excess utilization towards offer related expenses and borrowings repayments has been adjusted with general corporate purposes of the fresh issue.*

The Company has incurred expenses of INR 158.40 during the year ended 31 March 2022 in connection with public offer of equity shares. Out of this, INR 146.29 have been adjusted against securities premium as permissible under section 52 of the Companies Act, 2013 on successful completion of Initial Public Offer (IPO) and listing expenses of INR 12.10 have been shown as IPO expenses under exceptional items (refer note 32).

52. ADDITIONAL REGULATORY INFORMATION

(a) The Company and its Indian subsidiaries do not have any Benami property and no proceedings have been initiated or pending against the Company and its Indian subsidiaries for holding any Benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.

(b) The Company and its Indian subsidiaries do not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956, except for the parties mentioned below:

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at 31 March 2023	Relationship with the struck off company	Balance outstanding as at 31 March 2022	Relationship with the struck off company
Ranjoli Textile Private Limited	Trade payables	-	Not Applicable	-	Not Applicable
Ranjoli Textile Private Limited	Security deposits receivables	-	Not Applicable	0.66	Not Applicable
Radical Infraone Private Limited	Capital creditors	0.20	Not Applicable	0.20	Not Applicable
Sakha Services Private Limited	Trade payables	0.01	Not Applicable	0.01	Not Applicable
Naman Buildcon Limited	Trade receivables	3.57	Not Applicable	-	Not Applicable

(c) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2023

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

(d) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(e) The Company has not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(f) The Group have not traded or invested in Crypto currency or Virtual Currency during the current or previous year.

(g) The Company has not been declared as a 'Wilful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(h) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

53. During the year ended 31 March 2022, the Company had paid remuneration to a whole-time director of INR 138.70, which was in excess of the limits laid down under the provisions of the section 197 read with Schedule V of the Companies Act, 2013 by INR 75.73 which had also resulted in exceeding the overall limit of remuneration payable by the Company to its directors by INR 53.79. Such remuneration exceeded by virtue of exercise of employee stock options. The Company had obtained approval from the Nomination and Remuneration Committee of the Company for the excess managerial remuneration paid and had obtained approval from its shareholders at the Annual General Meeting (AGM) held on 28 June 2022 by way of a special resolution as per the provisions of section 197 and Schedule V to the Act during the current year.

54. During the year ended 31 March 2022, the Company has signed amendment to Development Agreements with Yum Restaurant (India) Private Limited (franchiser) with revised store opening targets and terms, accordingly franchiser has agreed to give certain incentives to the Company in the form of initial fee waiver and certain other operational incentives. The Group has achieved the targets in both current and previous years for both KFC and PH brands and received incentives as per the aforesaid Development Agreement, which have been accounted as per Ind AS in the consolidated financial statements.

55. The previous year numbers have been regrouped/ reclassified wherever necessary to conform to current year presentation. The impact of such reclassification/regrouping is not material.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sandeep Mehta
Partner
Membership no.: 099410

For **O P Bagla & Co LLP**
Chartered Accountants
Firm's Registration No.: 000018N/N500091

Neeraj Kumar Agarwal
Partner
Membership No.: 094155

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

Virag Joshi
Whole-time Director and CEO
DIN: 01821240

Raj Pal Gandhi
Director
DIN: 00003649

Manish Dawar
Whole-time Director and CFO
DIN: 00319476

Varun Kumar Prabhakar
Company Secretary
Membership No.: A30496

Place : Gurugram
Dated : May 17, 2023

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies

Part "A": Subsidiaries

(₹ in Millions)

S. No.	Particulars	Details	Details	Details	Details	Details
1	Name of the subsidiary	Devyani Food Street Private Limited	Devyani Airport Services (Mumbai) Pvt. Ltd.	Devyani International Nepal Private Limited	RV Enterprizes Pte. Ltd.	Devyani International (Nigeria) Limited – Step down subsidiary (Subsidiary of RV Enterprizes Pte. Ltd.)
2	The date since when subsidiary was acquired	14.04.2010	01.05.2013	02.07.2008	31.01.2011	31.01.2011
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	From 01.04.2022 to 31.03.2023	From 01.04.2022 to 31.03.2023	From 01.04.2022 to 31.03.2023	From 01.04.2022 to 31.03.2023	From 01.04.2022 to 31.03.2023
4	Reporting Currency	INR(₹)	INR(₹)	INR(₹)	INR(₹)	INR(₹)
5	Share capital	89.09	499.48	105.92	926.47	127.96
6	Other equity	(55.00)	(946.71)	93.65	276.84	(1,844.14)
7	Total assets	370.08	555.49	664.38	1614.91	1268.97
8	Total Liabilities	370.08	555.49	664.38	1614.91	1268.97
9	Investments	-	-	-	252.51	-
10	Revenue from operations and other income	746.71	467.95	611.20	14.28	1669.51
11	Profit/(Loss) before taxation	185.14	2.97	108.53	(10.00)	(7.03)
12	Tax expense	46.98	-	37.00	-	30.53
13	Provision for taxation	-	-	-	-	-
14	Profit after Taxation	138.16	2.97	71.53	(10.00)	(37.56)
15	Other Comprehensive Income	(0.04)	0.10	-	80.04	0.97
16	Total comprehensive income/(loss) for the year	138.12	3.07	71.53	70.04	(36.59)
17	Proposed Dividend	-	-	-	-	-
18	% of shareholding	100%	100%	100%	87%	68.51%^

^The figure represents 87% of the total shareholding of RV Enterprizes Pte. Ltd. i.e. 68.51% in Devyani International (Nigeria) Ltd.

Notes: *1. Names of subsidiaries which are yet to commence operations: Nil*

2. Names of subsidiaries which have been liquidated or sold during the year: Nil

Part "B": Associates and Joint Ventures – Nil

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

Virag Joshi
Whole-time Director and CEO
DIN: 01821240

Raj Pal Gandhi
Director
DIN: 00003649

Manish Dawar
Whole-time Director and CFO
DIN: 00319476

Varun Kumar Prabhakar
Company Secretary
Membership No.: A30496

Place : Gurugram
Dated : May 17, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Devyani International Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying standalone financial statements of **Devyani International Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Impairment of investments (including loans) in subsidiary Refer note 2(q) of Summary of significant accounting policies and other explanatory information and the note 48 of the standalone financial statements of the Company for the year ended 31 March 2023. The Company has investments (including loans) in subsidiary company amounting to INR 1,123.16 million as at 31 March 2023. The recoverability of the aforesaid amount is dependent on the operational performance of aforesaid subsidiary company including its step down subsidiary. The actual business performance of the step-down subsidiary has been lower than anticipated performance which has been identified by the management as possible impairment indicators under the principles of Ind AS 36, Impairment of Assets ("Ind AS 36').	Our audit procedures to test impairment of loans given to and investment in subsidiary companies included, but were not limited to, the following procedures: a) Obtained an understanding from the management with respect to process and controls implemented by the Company to determine recoverability of the amounts from its subsidiary company including testing of such controls; b) Assessed the professional competence, objectivity and capabilities of the external valuation expert engaged by the management for performing the required valuations to estimate the recoverable value of the amounts receivable from the subsidiary company;

Key audit matter	How our audit addressed the key audit matter
Management has assessed the recoverability of the aforesaid amounts by carrying out a valuation of the step-down subsidiary's business with the help of an external valuation expert using the discounted cashflow method, which requires management to make significant estimates and assumptions related to forecast of future revenue, operating margins, growth rate, expansion plans and selection of the discount rates to determine the recoverable value to be considered for impairment testing of the carrying value of the aforesaid balances. Considering the materiality of the above matter to the standalone financial statements, complexities and judgement involved, and the significant auditor attention required to test such management's judgement, we have identified this as a key audit matter for current year audit.	c) Involved our valuation experts for review of the valuation methodology including appropriateness of valuation assumptions used by the management's expert; d) Traced the future cash flow projections to approved business plans of the step down subsidiary by their management and evaluates the reasonableness of the inputs used in the projections by comparing past projections with actual results, and considering our understanding of the business and market conditions, as relevant; e) Evaluated sensitivity analysis performed by the management and further performed independent sensitivity analysis on these key assumptions to determination estimation uncertainty involved and impact on conclusions drawn basis headroom available; and f) Evaluated the appropriateness and adequacy of disclosures made in the standalone financial statements in accordance with the applicable accounting standards.
Impairment assessment of goodwill and non-financial assets Refer note 2(f) of Summary of significant accounting policies and other explanatory information and the note 30 of the standalone financial statements of the Company for the year ended 31 March 2023. As at 31 March 2023 the Company is carrying Goodwill amounting to INR 504.57 million and Non-current assets aggregating to INR 21,536.98 million in its standalone financial statements. In accordance with the requirements of Ind AS 36 Impairment of Assets, the Company performs an annual impairment assessment of goodwill associated with the cash generating units (CGUs) identified in the Company, and of other non-current assets of CGUs where impairment indicators have been identified, in order to determine whether the recoverable value is below the carrying amount as at 31 March 2023. The management has determined that each store constitutes a separate CGU which is tested for impairment as above. For the purpose the Company determines recoverable value of CGUs using Discounted Cash Flow Model (DCF Model) which require determination of certain assumptions and estimates of future trading performance, operating margins, future growth rates and discount rates.	Our audit procedures for impairment assessment of goodwill and non-current assets included but were not limited to the following: a) Obtained an understanding of impairment of goodwill and non-financial assets process, evaluated the design, implementation and tested the operative effectiveness of key internal financial controls followed by the management to determine indicators of impairment and the recoverable amounts of CGUs; b) Evaluated appropriateness of identification of CGUs basis our understanding of the business and the model used in determining the value-in-use of the CGUs involving our valuation experts for assessment of valuation assumptions for discount rates; c) Analyzed the performance of the CGUs and evaluated the reasonableness of the assumptions used in computation of business projections and value-in-use as at 31 March 2023 basis our understanding of the business including current and expected market and economic conditions, and benchmarked growth rates for projections used to approved business plans; d) Performed sensitivity analysis in respect of the key assumptions used including revenue growth rates and discount rate to verify appropriateness of such assumptions;

Key audit matter	How our audit addressed the key audit matter
The assessment of the recoverable amount requires significant judgment relating to estimates of cash flow projections, growth rates and discount rates. Consequent to such impairment assessment, the Company has recorded an impairment charge of INR NIL against Goodwill and impairment reversal INR 5.40 million against non-current assets. Due to the level of judgments and sensitivity of recoverable amount being involved and their significance to the Company's financial position, this is considered as a key audit matter.	e) Tested the arithmetical accuracy of the computation of recoverable amounts of cash generating units; and f) Assessed the appropriateness of the disclosures included in note 45 in respect of impairment of noncurrent assets including goodwill.

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

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

    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

    - Obtain sufficient appropriate audit evidence regarding the financial statements of the Company to express an opinion on the financial statements.

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

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

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

Other Matter

15. The audit of the standalone financial statements of the Company for the year ended 31 March 2022 was carried out and reported jointly by APAS & Co LLP and Walker Chandiok & Co LLP, who have expressed an unmodified opinion vide audit report dated 02 May 2022 which has been furnished to OP Bagla & Co LLP, the incoming joint statutory auditor of the Company and has been relied upon by them for the purpose of their joint audit of the standalone financial statements.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

17. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

18. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

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

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

    d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;

    f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company as at 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure B, wherein we have expressed an unmodified opinion; and

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

        i. The Company, as detailed in note 39 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2023;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;

        iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 56 (e) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

            b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 56 (f) to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

            c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2023; and

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Sandeep Mehta
Partner
Membership No. 099410
UDIN 23099410BGYGRW7852

Place: Gurugram
Date: May 17, 2023

For **O P Bagla & Co LLP**
Chartered Accountants
Firm Registration No: 000018N/N500091

Neeraj Kumar Agarwal
Partner
Membership No.: 094155
UDIN: 23094155BGXOQS7415

Place: Gurugram
Date: May 17, 2023

ANNEXURE A

Annexure A referred to in Paragraph 17 of the Independent Auditor's Report of even date to the members of Devyani International Limited on the standalone financial statements for the year ended 31 March 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, right of use assets and investment property.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment, right of use assets and investment property under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, right of use assets and investment property were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (including investment properties) held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3A to the standalone financial statements are held in the name of the Company, except for the following property, for which the Company's management is in the process of getting the registration in the name of the Company:

Description of property	Gross carrying value (INR million)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of company
Land situated at Plot no. 161P, Sector-44, Urban Estate Gurgaon II	551.93	Haryana Shehri Vikas Pradhikaran	No	Since 02 September 2022	The Company has received the possession letter dated 02 September 2022 and is in the process of getting the property registered in its name (refer note 3A to standalone financial statements)

For properties where the Company is a lessee, the lease arrangements have been duly executed in favour of the Company except in following cases:

Description of property	Gross carrying value (INR million)	Location	Details of lessor	Period held	Reason for non-execution of lease agreement
Leasehold improvements and immovable fixtures at 4 stores	18.58	Various locations across India	Multiple landlords	3 months to 1 years	The Company has 4 retail outlets wherein the original lease agreements have expired and lease agreements are under the process of renewal (refer note 3A to standalone financial statements)
Right-of-use assets for 4 stores	22.83				

For title deeds of immovable properties in the nature of land and buildings thereon, which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the lender.

Description of property	Gross carrying value (INR million)
Plot No.18, Sector-35, Industrial Estate Gurgaon, Haryana-122001	540.21
Unit No. 401, Fourth Floor, Bestech Square Mall, Plot No.1, Industrial Area, Focal Point, Phase-IX, Sector -66, SAS Nagar, Mohali, Punjab -160062	145.73
Unit No. G-15, Ground Floor, Bestech Square Mall, Plot No.1, Industrial Area, Focal Point, Phase-IX, Sector-66, SAS Nagar, Mohali, Punjab – 160062	47.29

(d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties.

(b) As disclosed in note 17 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 50.00 million by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods.

(iii) (a) The Company has not provided any loans or provided any advances in the nature of loans, or guarantee, or security to any other entity during the year. Accordingly, reporting under clauses 3(iii)(a) of the Order is not applicable to the Company.

(b) The Company has not made any investment or given any security or granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(b) of the Order is not applicable to the Company.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/ receipts of principal and interest are regular.

(d) There is no overdue amount in respect of loans granted to such companies.

(e) The Company has granted loan which had fallen due during the year and were repaid on or before the due date. Further, no fresh loans were granted to any party to settle the overdue loans.

(f) The Company has not granted any loan or advance in the nature of loan, which are repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made and loans given, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of guarantees and security provided by it.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in few cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows.

Statement of arrears of statutory dues outstanding for more than six months:

Name of the statute	Nature of the dues	Amount (INR in million)	Period to which the amount relates	Due Date	Date of Payment
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund	4.06	Prior to FY 2022-23	15 April 2021 to 15 April 2022	Unpaid
		1.13	FY 2022-23	15 May 2022	Unpaid
		1.09		15 June 2022	Unpaid
		1.33		15 July 2022	Unpaid
		1.11		15 August 2022	Unpaid
		1.05		15 September 2022	Unpaid

Note: Also, refer note 57 to standalone financial statements.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (INR million)	Amount paid Under Protest (INR million)	Period to which the amount relates	Forum where dispute is pending
Rajasthan Value Added Tax	Value Added Tax	9.62	0.73	Financial Year ('F.Y.') 2009-10, F.Y. 2010-11 and F.Y. 2011-12	Hon'ble Rajasthan High Court & Rajasthan Tax Board
Gujarat Value Added Tax	Value Added Tax	2.78	0.17	F.Y. 2014-15 F.Y. 2015-16 F.Y. 2016-17 F.Y. 2017-18	Dy. Commissioner Appeals (First Appellate Authority)
Service Tax (Finance Act 1994)	Service Tax	11.36	1.11	F.Y. 2007-08 to F.Y. 2012-13	Excise and Service Tax Appellate Tribunal
Income-tax Act, 1961	Income Tax	36.75	-	AY 2006-07 AY 2007-08 AY 2008-09	Hon'ble Delhi High Court
Income-tax Act, 1961	Income Tax	1.58	-	AY 2007-08	Hon'ble Delhi High Court
Income-tax Act, 1961	Income Tax	0.23	-	AY 2018-19	Commissioner of Tax (Appeals)
Goods and Service Tax Act, 2016	Goods and Services Tax	138.45	5.34	F.Y. 2018-19	Appellate Authority, Goods & Services tax

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.

(b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has only one CIC as part of the Group.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, the Company has met the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, however, in the absence of average net profits in the immediately three preceding years, there is no requirement for the Company to spend any amount under sub-section (5) of section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Sandeep Mehta
Partner
Membership No. 099410
UDIN 23099410BGYGRW7852

Place: Gurugram
Date: May 17, 2023

For **O P Bagla & Co LLP**
Chartered Accountants
Firm Registration No: 000018N/N500091

Neeraj Kumar Agarwal
Partner
Membership No.: 094155
UDIN: 23094155BGXOQS7415

Place: Gurugram
Date: May 17, 2023

ANNEXURE B

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements of Devyani International Limited under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of **Devyani International Limited** ('the Company') as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to

error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Sandeep Mehta
Partner
Membership No. 099410
UDIN 23099410BGYGRW7852

Place: Gurugram
Date: May 17, 2023

For **O P Bagla & Co LLP**
Chartered Accountants
Firm Registration No: 000018N/N500091

Neeraj Kumar Agarwal
Partner
Membership No.: 094155
UDIN: 23094155BGXOQS7415

Place: Gurugram
Date: May 17, 2023

STANDALONE BALANCE SHEET

As at 31 March 2023

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

Particulars	Note	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	3A	8,695.51	5,553.84
Capital work-in-progress	3B	74.76	6.57
Right-of-use assets	3C	10,997.13	7,614.55
Investment properties	3D	352.74	351.00
Goodwill	4	504.57	504.57
Other intangible assets	5	1,491.60	1,493.18
Financial assets			
(i) Investments	6A & 6B	1,105.33	1,105.01
(ii) Loans	7	543.63	579.59
(iii) Other financial assets	8	674.69	562.19
Deferred tax assets (net)	33	901.79	410.78
Income tax assets (net)	33	389.30	166.43
Other non-current assets	9	140.42	295.65
Total non-current assets		**25,871.47**	**18,643.36**
Current assets			
Inventories	10	1,142.52	731.20
Financial assets			
(i) Trade receivables	11	293.08	306.39
(ii) Cash and cash equivalents	12	491.09	399.98
(iii) Bank balances other than cash and cash equivalents	13	222.08	7.11
(iv) Loans	7	27.17	35.34
(v) Other financial assets	8	226.87	1,329.41
Other current assets	9	327.02	223.31
Total current assets		**2,729.83**	**3,032.74**
Total assets		**28,601.30**	**21,676.10**
Equity and liabilities			
Equity			
Equity share capital	14	1,204.96	1,204.74
Other equity	15	10,317.09	7,726.51
Total equity		**11,522.05**	**8,931.25**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17	-	609.17
(ii) Lease liabilities	16	12,343.63	8,736.39
(iii) Other financial liabilities	19	39.22	37.55
Provisions	20	161.16	159.90
Other non-current liabilities	21	23.36	10.22
Total non-current liabilities		**12,567.37**	**9,553.23**
Current liabilities			
Financial liabilities			
(i) Borrowings	18	-	0.11
(ii) Lease liabilities	16	780.26	724.21
(iii) Trade payables	22		
(a) total outstanding dues of micro and small enterprises		223.72	170.41
(b) total outstanding dues of creditors other than micro and small enterprises		1,808.57	1,383.65
(iv) Other financial liabilities	19	1,152.87	574.05
Other current liabilities	21	461.44	263.74
Provisions	20	85.02	75.45
Total current liabilities		**4,511.88**	**3,191.62**
Total equity and liabilities		**28,601.30**	**21,676.10**

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sandeep Mehta
Partner
Membership no.: 099410

For **O P Bagla & Co LLP**
Chartered Accountants
Firm's Registration No.: 000018N/N500091

Neeraj Kumar Agarwal
Partner
Membership No.: 094155

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

Virag Joshi
Whole-time Director and CEO
DIN: 01821240

Raj Pal Gandhi
Director
DIN: 00003649

Manish Dawar
Whole-time Director and CFO
DIN: 00319476

Varun Kumar Prabhakar
Company Secretary
Membership No.: A30496

Place : Gurugram
Dated : May 17, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS

For the year ended 31 March 2023

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

Particulars	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Income			
Revenue from operations	23	26,683.44	18,532.72
Other income	24	324.63	163.37
Total income		**27,008.07**	**18,696.09**
Expenses			
Cost of materials consumed	25	7,896.25	5,199.38
Purchases of stock-in-trade	26	198.38	111.83
Employee benefits expense	27	3,114.69	2,227.61
Finance costs	28	1,237.64	1,058.67
Depreciation and amortisation expense	29	2,388.69	1,852.76
(Reversal)/provision of impairment of non-financial assets	30	(5.40)	57.20
Other expenses	31	10,037.50	7,052.43
Total expenses		**24,867.75**	**17,559.88**
Profit before exceptional items and tax		**2,140.32**	**1,136.21**
Exceptional items	32	-	13.16
Profit before tax		**2,140.32**	**1,123.05**
Tax expense	33		
Current tax		170.41	-
Deferred tax credit		(490.81)	(410.78)
Total tax expense		**(320.40)**	**(410.78)**
Profit for the year		**2,460.72**	**1,533.83**
Other comprehensive income			
Items that will not to be reclassified to profit or loss			
Remeasurements of defined benefit plans		(0.81)	1.66
Income tax relating to above mentioned item	.	0.20	-
Other comprehensive income for the year		**(0.61)**	**1.66**
Total comprehensive income for the year		**2,460.11**	**1,535.49**
Earnings per share	34		
Basic (INR)		2.04	1.29
Diluted (INR)		2.04	1.29

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sandeep Mehta
Partner
Membership no.: 099410

For **O P Bagla & Co LLP**
Chartered Accountants
Firm's Registration No.: 000018N/N500091

Neeraj Kumar Agarwal
Partner
Membership No.: 094155

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

Virag Joshi
Whole-time Director and CEO
DIN: 01821240

Raj Pal Gandhi
Director
DIN: 00003649

Manish Dawar
Whole-time Director and CFO
DIN: 00319476

Varun Kumar Prabhakar
Company Secretary
Membership No.: A30496

Place : Gurugram
Dated : May 17, 2023

STANDALONE STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH 2023

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

Particulars		For the year ended 31 March 2023	For the year ended 31 March 2022
A.	**Cash flows from operating activities**		
	Profit before tax	2,140.32	1,123.05
	Adjustments for:		
	Depreciation and amortisation expense	2,388.69	1,852.76
	(Reversal)/provision of impairment of non-financial assets	(5.40)	57.20
	Liabilities no longer required written back	(3.05)	(21.00)
	Loss on disposal of property, plant and equipment	3.40	15.21
	Bad debts and advances written off	10.08	7.01
	Loss allowance	6.34	5.66
	Unrealised foreign exchange gain	(29.55)	(11.54)
	Derivatives at fair value through profit and loss	-	(0.72)
	Finance costs	1,237.64	1,058.67
	Employee stock option expense	109.35	64.12
	Interest income	(141.31)	(114.98)
	Guarantee commission	-	(0.45)
	Gain on sale of current investment	(0.41)	-
	Gain on investments carried at fair value through profit or loss	(0.32)	(3.28)
	Provision for impairment loss in the value of investments	-	1.06
	Gain on termination/modification of lease liabilities	(149.96)	(8.08)
	Rent concession [refer note 36 A (ii)]	-	(271.49)
	Dividend income	(1.25)	(1.25)
	Operating profit before working capital changes	**5,564.57**	**3,751.95**
	Adjustments for changes in:		
	- trade receivables	17.91	(34.44)
	- inventories	(411.32)	(195.83)
	- loans, other financial assets and other assets	(49.55)	(400.91)
	- trade payables, other financial liabilities and other liabilities	814.55	822.86
	Cash generated from operating activities	**5,936.16**	**3,943.63**
	Income tax paid (net)	(393.14)	(91.95)
	Net cash generated from operating activities	**5,543.02**	**3,851.68**
B.	**Cash flows from investing activities**		
	Payment for purchase of property, plant and equipment and other intangible assets	(3,925.26)	(2,847.54)
	Proceeds from sale of property, plant and equipment	129.54	131.25
	Proceeds from term deposits	773.80	2.97
	Term deposits made with banks	(158.81)	(848.75)
	Interest received	82.90	9.85
	Purchase of non-current investments	-	(124.18)
	Proceeds from sale of current investment (net)	0.41	-
	Loans given	-	(6.00)
	Dividend received	1.25	1.25
	Repayment of loans given	78.00	46.50
	Net cash used in investing activities	**(3,018.17)**	**(3,634.65)**

STANDALONE STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH 2023

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

	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
C.	**Cash flows from financing activities**		
	Proceeds from issue of equity share capital	6.88	4,486.14
	Share application money received pending allotment	14.46	-
	Share issue expenses	-	(146.29)
	Proceeds from non-current borrowings	-	609.17
	Repayment of non-current borrowings	(609.17)	(3,638.94)
	Repayment of cash credit facilities from banks	-	(136.03)
	Payment of lease liabilities- principal	(625.05)	(259.05)
	Payment of lease liabilities- interest	(1,196.38)	(884.08)
	Interest paid	(24.48)	(129.82)
	Net cash used in financing activities	**(2,433.74)**	**(98.90)**
	Net increase in cash and cash equivalents during the year (A+B+C)	**91.11**	**118.13**
D.	**Cash and cash equivalents at the beginning of the year**	**399.98**	**281.85**
E.	**Cash and cash equivalents at the end of the year (refer note 12)**	**491.09**	**399.98**

Notes:

1. *The Standalone Statement of Cash Flow has been prepared in accordance with 'Indirect method' as set out in the Ind AS - 7 on 'Statement of Cash Flows', as notified under Section 133 of the Companies Act, 2013, read with the relevant rules thereunder.*
2. *Significant non-cash transactions;*

   - acquisition of right-of-use assets and investment properties (refer note 3C and 3D).

The accompanying notes form an integral part of these standalone financial statements.
As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sandeep Mehta
Partner
Membership no.: 099410

For **O P Bagla & Co LLP**
Chartered Accountants
Firm's Registration No.: 000018N/N500091

Neeraj Kumar Agarwal
Partner
Membership No.: 094155

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

Virag Joshi
Whole-time Director and CEO
DIN: 01821240

Raj Pal Gandhi
Director
DIN: 00003649

Manish Dawar
Whole-time Director and CFO
DIN: 00319476

Varun Kumar Prabhakar
Company Secretary
Membership No.: A30496

Place : Gurugram
Dated : May 17, 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

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

A. EQUITY SHARE CAPITAL

	Note	As at 31 March 2023		As at 31 March 2022	
		Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year		1,204,736,378	1,204.74	1,153,634,990	1,153.63
Issue of equity share capital	14	225,000	0.22	51,101,388	51.11
Balance at the end of the year		**1,204,961,378**	**1,204.96**	**1,204,736,378**	**1,204.74**

B. OTHER EQUITY

	Share application money pending allotment	Reserves and surplus				Other comprehensive income*	Total
		Securities premium	Employee stock options outstanding account	General reserve	Retained earnings		
Balance as at 1 April 2021	**-**	**8,126.54**	**14.40**	**5.47**	**(6,309.00)**	**-**	**1,837.41**
Profit for the year	-	-	-	-	1,533.83	-	**1,533.83**
Other comprehensive income for the year	-	-	-	-	-	1.66	**1.66**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**1,533.83**	**1.66**	**1,535.49**
Transferred to retained earnings	-	-	-	-	1.66	(1.66)	**-**
Securities premium received during the year	-	4,435.03					**4,435.03**
Share issue expenses (refer note 52)	-	(146.29)	-	-	-	-	**(146.29)**
Employee stock options expense	-	-	64.87	-	-	-	**64.87**
Transferred to securities premium on exercise of stock options	-	35.00	(35.00)	-	-	-	**-**
Balance as at 31 March 2022	**-**	**12,450.28**	**44.27**	**5.47**	**(4,773.51)**	**-**	**7,726.51**
Balance as at 1 April 2022		12,450.28	44.27	5.47	(4,773.51)	-	**7,726.51**
Profit for the year		-	-	-	2,460.72	-	**2,460.72**
Other comprehensive loss for the year		-	-	-	-	(0.61)	**(0.61)**
Total comprehensive income/(loss) for the year	-	-	-	-	2,460.72	(0.61)	**2,460.11**
Transferred to retained earnings	-	-	-	-	(0.61)	0.61	**-**
Securities premium received during the year	-	6.66	-	-	-	-	**6.66**
Share application money received	14.46	-	-		-	-	**14.46**
Employee stock options expense	-	-	109.35	-	-	-	**109.35**
Transferred to securities premium on exercise of stock options	-	2.99	(2.99)	-	-	-	**-**
Balance as at 31 March 2023	**14.46**	**12,459.93**	**150.63**	**5.47**	**(2,313.40)**	**-**	**10,317.09**

**Other comprehensive income/(loss) represents remeasurement of defined benefit plans.*

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sandeep Mehta
Partner
Membership no.: 099410

For **O P Bagla & Co LLP**
Chartered Accountants
Firm's Registration No.: 000018N/N500091

Neeraj Kumar Agarwal
Partner
Membership No.: 094155

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

Virag Joshi
Whole-time Director and CEO
DIN: 01821240

Raj Pal Gandhi
Director
DIN: 00003649

Manish Dawar
Whole-time Director and CFO
DIN: 00319476

Varun Kumar Prabhakar
Company Secretary
Membership No.: A30496

Place : Gurugram
Dated : May 17, 2023

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

1. COMPANY INFORMATION/OVERVIEW

Devyani International Limited (the 'Company') is a public limited company domiciled in India having Corporate Identification Number L15135DL1991PLC046758 and its corporate office is at Plot No. 18, Sector 35, Gurugram - 122001. The Company was incorporated on 13 December 1991 as a private limited company under the provisions of Companies Act applicable in India. Subsequently, the Company changed its legal status from a private company to a public company on 7 June 2000. The shares of the Company got listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on 16 August 2021. The Company is primarily engaged in the business of developing, managing and operating quick service restaurants and food courts for brands such as Pizza Hut, KFC, Costa Coffee, Vaango, etc.

Basis of preparation

a. Statement of compliance

The standalone financial statements comply with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 (the "Act"), relevant provisions of the Act and other accounting principles generally accepted in India. The standalone financial statements are prepared on accrual and going concern basis. The Board of Directors can permit revision to the standalone financial statements after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

The standalone financial statements for the year ended 31 March 2023 were authorized and approved for issue by the Board of Directors on 17 May 2023.

b. Basis of measurement

The standalone financial statements have been prepared on a historical cost basis except for certain financial assets and financial liabilities that are measured at fair value or amortized cost, defined benefit obligations and share based payments.

c. Critical accounting estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Changes in estimates are reflected in the standalone financial statements in the period in which changes are made and if material, their effects are disclosed in the notes to the standalone financial statements.

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

- Note 2 (h) and 40 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 2 (a) and (b) - useful life and residual values of property, plant and equipment, fair valuation of investment properties and useful life of intangible assets;
- Note 2 (j) - judgment required to determine probability of recognition of deferred tax assets;
- Note 2 (m) and 35 - fair value measurement of financial instruments;
- Note 2 (f), 37 and 45 - impairment assessment of non-financial assets (goodwill, property, plant and equipment and investment property) - key assumptions underlying recoverable amount;
- Note 2 (n) - impairment assessment of financial assets;
- Note 42 - measurement of share based payments;
- Note 2(g) and 39 - measurement of, provisions and contingent liabilities;
- Note 2 (d) and 36 -judgment required to ascertain lease classification, lease term, incremental borrowing rate, lease and non-lease component and impairment of ROU;
- Note 2 (g) and 39 - judgment is required to ascertain whether it is probable or not that an outflow of resources embodying economic benefits will be required to settle the taxation disputes and legal claim;
- Note 2 (l) and 54 – amortization of incentive

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

There are no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year except for as disclosed in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these standalone financial statements.

a. Property, plant and equipment

Recognition and measurement

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

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

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

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

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

Subsequent cost

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

Depreciation

Depreciation on PPE is provided on the straight-line method computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013 ('Schedule II') on a pro-rata basis from the date the asset is available for use. Considering the applicability of Schedule II as mentioned above, in respect of certain class of assets- the Company has assessed the useful lives (as mentioned in the table below) lower than as prescribed in Schedule II, based on the technical assessment.

Asset Category	Useful life estimated by the management based on technical assessment (years)	Useful life as per Schedule II (years)
Building	30	60
Plant and equipment	12	15
Electrical Fitting	10	10
Office equipment	10	5
Computers	4- 6	3-6
Furniture and fixtures	6	10
Vehicles	5	6
Utensil and Kitchen Equipment	4-10	15

Freehold land is not depreciated.

Leasehold improvements are depreciated on a straight line basis over the period of the initial lease term or 10 years, whichever is lower. Any refurbishment of structure is depreciated over a period of 5 years.

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

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

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Capital work-in-progress

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

Investment properties

(Recognition and initial measurement)

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition, including transaction costs. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company. All other repair and maintenance costs are recognized in Statement of profit and loss as incurred.

Properties held under leases are classified as investment properties when it is held to earn rentals or for capital appreciation or for both, rather than for sale in the ordinary course of business or for use in production or administrative functions. In case of subleases, where the Company is immediate lessor, the right of use arising out of related sub leases is assessed for classification as investment property.

Subsequent measurement (depreciation and useful lives)

Investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation on leased investment properties is provided on the straight-line method over the lease period of the right-of-use assets, depreciation on owned investment properties is provided on the straight-line method over the useful life of the asset.

Though, the Company measures investment properties using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model acceptable internationally.

De-recognition

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds, if any, and the carrying amount of the asset is recognized in the Statement of profit and loss in the period of de-recognition.

b. Business combination and intangible assets

Business combination and goodwill

The Company accounts for the business combinations using the acquisition method when control is transferred to the Company. The consideration transferred in the acquisition is generally measured at fair value as at the date the control is acquired ('acquisition date'), as are the net identifiable assets (tangible and intangible assets) acquired and any non-controlling interest in the acquired business. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in Other Comprehensive Income ('OCI') and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

Any goodwill that arises is tested for impairment at least on an annual basis, based on a number of factors, including operating results, business plans and future cash flows.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquirer. Such amounts are generally recognized in the Statement of profit and loss.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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Other intangible assets

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

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

i. Subsequent cost

Subsequent costs is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All the subsequent expenditure on intangible assets is recognized in Statement of profit and loss, as incurred.

ii. Amortisation

Amortisation of Intangible assets is calculated over their estimated useful lives as stated below using straight-line method. Amortisation is calculated on a pro-rata basis for assets purchased / disposed during the year. Amortisation has been charged based on the following useful lives:

Asset description	Useful life (in years)
License fee	10
Franchisee rights	10
Computer software	6

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

c. Inventories

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

d. Leases

The Company as a lessee

The Company enters into an arrangement for lease of buildings and office equipments. Such arrangements are generally for a fixed period but may have extension or termination options. In accordance with Ind AS 116 – Leases, at inception of the contract, the Company assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to control the use an asset (the underlying asset) for a period of time in exchange for consideration'.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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Measurement and recognition of leases as a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses (unless such right of use assets fulfills the requirements of Ind AS 40 - Investment Property and is accounted for as there under), if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in Statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero, as the case may be.

The Company presents right-of-use assets that do not meet the definition of investment property and lease liabilities as a separate line item in the standalone financial statements of the Company.

The Company has elected not to apply the requirements of Ind AS 116 - Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

The Company as a lessor

When the Company acts as an intermediate lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the

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underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

e. Borrowing costs

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

f. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication of impairment exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units ('CGU'). Goodwill arising from a business combination is allocated to CGU or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Impairment losses are recognised in the Statement of profit and loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

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

g. Provisions and contingent liabilities

Provisions

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

Contingent liabilities

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

h. Employee benefits

Short term employee benefits

Employee benefit liabilities such as salaries, wages and bonus, etc. that are expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service are

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recognised in respect of employee's services up to the end of the reporting period and are measured at an undiscounted amount expected to be paid when the liabilities are settled.

Post-employment benefit plans

Defined Contribution Plans

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

Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. Gratuity liability is partially funded by the Company through annual contribution to DIL Employees Gratuity Trust (the 'Trust') against ascertained gratuity liability. The Trustees administer contributions made to the Trust and contributions are invested in a scheme with the Life Insurance Corporation of India as permitted by the laws of India.

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

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

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

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

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

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

Other long term employee benefits

Compensated absences

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

i. Share based payments

The grant-date fair value of equity-settled share-based payment arrangements granted to eligible employees of the Company and its subsidiaries under the Employee Stock Option Scheme ('ESOS') is recognised as an employee stock option scheme expense in the Statement of profit and loss, in relation to options granted to employees of the Company (over the vesting period of the awards) and in relation to options granted to employees of subsidiaries, the amount is disclosed under other financial assets (as receivables from subsidiaries), with a corresponding increase in other equity.

The amount recognised as an expense /recoverable from subsidiaries is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and

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non-market performance conditions at the vesting date. The increase in equity recognised in connection with a share based payment transaction is presented in the "Employee stock options outstanding account", as separate component in other equity. For share-based payment awards with market conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. At the end of each period, the Company revises its estimates of the number of options that are expected to be vested based on the non-market performance conditions at the vesting date.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

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

j. Income taxes

Income tax expense comprises of current tax and deferred tax. It is recognised in the Statement of profit and loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any relating to income taxes. It is measured using tax rates enacted or substantively enacted at the end of the reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis.

Deferred tax

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

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

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

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

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets levied by the same tax authorities.

k. Foreign currency transactions and translations

Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of the Company at the exchange rates at the date of the transactions.

Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains / (losses) arising on account of realization /

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settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the Statement of profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

l. Revenue recognition

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

Sale of products

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

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

Service income and management fees

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

Rental income

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

Scrap sale

Sale of scrap is recognised upon transfer of control of products to the customers which coincides with their delivery to customer.

Interest income

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

Dividend income

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

Incentive

The Company is eligible for certain benefits based on the number of stores opened under the development agreement entered with the franchisor. The reimbursements (incentives) are recognized only when, it is virtually certain that they will be received and are netted off against related expenses over the period of expected benefits. Unamortized incentives are presented as "deferred incentives' in the standalone financial statements.

Contract assets and contract liabilities

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liabilities are on account of the advance payment received from customer for which performance obligation has not yet been completed.

m. Fair value measurement

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

- In the principal market for the asset or liability, or

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

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

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within fair value hierarchy, described as follows, based on the lowest level of input that is significant to the fair value measurement as a whole.

- Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

n. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

i. Recognition and initial measurement

Debt instruments are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets are initially measured at fair value plus, for an item not at fair value through Statement of profit and loss, transaction costs that are attributable to its acquisition or use.

Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

ii. Classification and subsequent measurement

Classification

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

- Financial assets measured at amortised cost;
- Financial Asset Measured at fair value through other comprehensive income ('FVTOCI'); or
- Financial asset measured at fair value through Statement of profit and loss ('FVTPL').

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset being 'debt instrument' is measured at the amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest ('SPPI') on the principal amount outstanding.

A financial asset being 'debt instrument' is measured at the FVTOCI if both of the following criteria are met:

- The asset is held within the business model, whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and

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- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

A financial asset being equity instrument is measured at FVTPL.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL.

Subsequent measurement

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the Statement of profit and loss.

Financial assets at FVTPL

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

iii. Derecognition

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

iv. Impairment of financial assets (Other than financial assets measured at fair value)

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

Financial liabilities

I. Recognition and initial measurement

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

II. Classification and subsequent measurement

Financial liabilities are classified as measured at amortized cost or FVTPL.

A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the Statement of profit and loss.

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

III. Derecognition

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

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

financial liability with modified terms is recognised in the Statement of profit and loss.

IV. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

o. Earnings per share

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

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

p. Current and non-current classification

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

Assets

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

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

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting period; or
- The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

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

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non- current.

q. Investment in subsidiaries

Investment in equity shares of subsidiaries (under Ind AS 27 – Separate Financial Statements) are carried at cost, less any impairment in the value of investment.

Investment in preference shares of subsidiaries are carried at FVTPL, except where the preference shares meet the definition of equity shares as per Ind AS 32 – 'Financial Instruments: Presentation' from the issuer's perspective (i.e., subsidiary), which are carried at cost, less any impairment in the value of investment.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

r. Cash and cash equivalents

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

s. Segment reporting

As the Company business activity primarily falls within a single business and geographical segment and the Chief Operating Decision Maker monitors the operating results of its business units not separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statements, thus there are no additional disclosures to be provided under Ind AS 108 –"Segment Reporting". The management considers that the various goods and services provided by the Company constitutes single business segment, since the risk and rewards from these services are not different from one another. The analysis of geographical segments is based on geographical location of the customers.

t. Exceptional items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the company financial performance.

u. Cash flow statement

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated. Cash and cash equivalents in the cash flow comprise cash at bank, cash/cheques in hand and short-term investments with an original maturity of three months or less.

v. Functional and presentation currency

The management has determined the currency of the primary economic environment in which the Company operates, i.e., the functional currency, to be Indian Rupees (INR). The financial statements are presented in Indian Rupees, which is the Company's functional and presentation currency. All amounts have been rounded to the nearest millions up to two decimal places, unless otherwise stated. Consequent to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute amounts.

w. Share issue expense

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of profit and loss.

x. New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

y. Recent accounting pronouncements

New and amended standards issued but not effective:

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023. The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary because of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

3A PROPERTY, PLANT AND EQUIPMENT

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

Particulars	Freehold land (refer note v)	Buildings	Leasehold improvements (refer note v)	Plant and equipment	Furniture and fixtures	Electrical fittings	Office equipment	Computers	Utensil and kitchen equipment	Vehicles	Total
Gross carrying amount											
As at 1 April 2021	**103.91**	**455.32**	**1,804.23**	**2,633.35**	**160.97**	**79.13**	**155.42**	**379.45**	**241.76**	**39.22**	**6,052.76**
Additions	-	3.01	658.31	1,197.44	63.85	22.89	81.37	244.58	182.12	4.85	2,458.42
Disposals	-	-	62.24	98.71	22.24	3.70	5.11	11.99	37.99	5.62	247.60
As at 31 March 2022	**103.91**	**458.33**	**2,400.30**	**3,732.08**	**202.58**	**98.32**	**231.68**	**612.04**	**385.89**	**38.45**	**8,263.58**
Additions	636.03	-	1,212.84	1,642.92	169.36	59.56	78.04	230.45	195.19	-	4,224.39
Disposals	-	-	189.70	80.95	7.16	4.20	4.15	8.82	4.18	0.51	299.67
As at 31 March 2023	**739.94**	**458.33**	**3,423.44**	**5,294.05**	**364.78**	**153.68**	**305.57**	**833.67**	**576.90**	**37.94**	**12,188.30**
Accumulated depreciation											
As at 1 April 2021	**-**	**55.36**	**585.92**	**872.98**	**77.94**	**30.21**	**40.07**	**137.31**	**75.60**	**18.39**	**1,893.78**
Depreciation	-	14.49	252.15	300.93	27.58	9.65	18.80	81.77	49.11	5.29	759.77
Disposals	-	-	34.25	72.75	20.72	2.90	2.92	8.27	32.99	4.49	179.29
As at 31 March 2022	**-**	**69.85**	**803.82**	**1,101.16**	**84.80**	**36.96**	**55.95**	**210.81**	**91.72**	**19.19**	**2,474.26**
Depreciation	-	15.03	295.91	390.49	42.90	13.59	31.42	120.21	65.25	6.37	981.17
Disposals	-	-	105.20	38.15	5.46	1.79	2.30	6.18	1.85	0.52	161.45
As at 31 March 2023	**-**	**84.88**	**994.53**	**1,453.50**	**122.24**	**48.76**	**85.07**	**324.84**	**155.12**	**25.04**	**3,293.98**
Accumulated impairment											
As at 1 April 2021	**-**	**26.07**	**26.43**	**203.35**	**8.24**	**5.11**	**13.81**	**7.43**	**8.22**	**1.84**	**300.50**
Impairment loss	-	-	20.70	36.52	0.93	0.64	1.15	3.33	3.32	0.13	66.72
Impairment (reversal)	-	(16.62)	(22.61)	(68.55)	(1.34)	(1.58)	(1.82)	(2.46)	(2.34)	(0.46)	(117.78)
Disposals	-	-	4.63	5.45	0.82	0.49	0.37	0.28	1.29	0.63	13.96
As at 31 March 2022	**-**	**9.45**	**19.89**	**165.87**	**7.01**	**3.68**	**12.77**	**8.02**	**7.91**	**0.88**	**235.48**
Impairment loss	-	0.49	-	-	1.19	0.35	-	0.44	0.25	-	2.72
Impairment (reversal)	-	-	(8.63)	(11.08)	-	-	(0.65)	-	-	(0.06)	(20.42)
Disposals	-	-	8.64	7.40	0.98	0.45	0.34	0.61	0.53	0.02	18.97
As at 31 March 2023	**-**	**9.94**	**2.62**	**147.39**	**7.22**	**3.58**	**11.78**	**7.85**	**7.63**	**0.80**	**198.81**
Net carrying amount											
As at 31 March 2022	**103.91**	**379.03**	**1,576.59**	**2,465.05**	**110.77**	**57.68**	**162.96**	**393.21**	**286.26**	**18.38**	**5,553.84**
As at 31 March 2023	**739.94**	**363.51**	**2,426.29**	**3,693.16**	**235.32**	**101.34**	**208.72**	**500.98**	**414.15**	**12.10**	**8,695.51**

Notes:

i) For details regarding charge on property, plant and equipment- refer note 17.

ii) For details regarding capitalisation of expenses incurred during construction period- refer note 44.

iii) For details regarding contractual commitments for the acquisition of property, plant and equipment- refer note 39.

iv) For details regarding impairment - refer note 45.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

v) All title/lease deeds of immovable properties are held in the name of the Company, except as disclosed below:

Relevant line item in Balance Sheet	Description of property	Gross Carrying value	Net Carrying value	Title deeds held in name of	Whether title deed holder is a Promoter, director or relative of promoter/ director or employee	Date since the property is held	Reason for not being held in name of company
Freehold land	Land situated at plot No 161P, Sector 44,Urban Estate, Gurgaon II.	551.93	551.93	Haryana Shehri Vikas Pradhikaran	No	02 September 2022	The Company has received the possession letter dated 02 September 2022 and is in the process of getting property registered in its name.
Leasehold improvements	Leasehold improvements	18.58	2.33	NA	No	Various periods	The Company has 4 retail outlets wherein the original lease agreements have expired and the leases are under the process of renewal.
Right-of-use assets	Right-of-use assets	22.83	-	NA			

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

3B CAPITAL WORK-IN-PROGRESS (CWIP)

Particulars	As at 31 March 2023	As at 31 March 2022
At the beginning of the year	6.57	72.39
Additions	4,299.15	2,474.12
Transfers to property, plant and equipment	4,230.96	2,539.94
At the end of the year	**74.76**	**6.57**

CWIP ageing schedule:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
As at 31 March 2023	74.76	-	-	-	74.76
As at 31 March 2022	6.57	-	-	-	6.57

Note :

There are no projects as on each reporting period where activity had been suspended. Also there are no projects as on the reporting period which has exceeded cost as compared to its original plan or where completion is overdue.

3C RIGHT-OF-USE ASSETS (REFER NOTE 36)

Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

Particulars	As at 31 March 2023	As at 31 March 2022
Right-of-use assets#		
Leasehold property*	13,554.20	8,985.76
Accumulated depreciation	(2,384.65)	(1,221.51)
Accumulated impairment	(172.42)	(149.70)
Net carrying amount	**10,997.13**	**7,614.55**

* includes the addition of INR 4,749.56 (31 March 2022 : INR 3,115.30)

#All lease deeds are held in the name of the Company, except as disclosed in note 3A.

3D INVESTMENT PROPERTIES (REFER NOTE 37)

Particulars	Leasehold investment properties	Owned investment properties*	Total
Gross carrying amount			
As at 1 April 2021	356.72	169.63	526.35
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2022	**356.72**	**169.63**	**526.35**
Additions	50.81	-	50.81
Disposals	(51.13)	-	(51.13)
As at 31 March 2023	**356.40**	**169.63**	**526.03**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

Particulars	Leasehold investment properties	Owned investment properties*	Total
Accumulated depreciation			
As at 1 April 2021	68.28	1.41	69.69
Depreciation	33.81	5.65	39.46
Disposals	-	-	-
As at 31 March 2022	**102.09**	**7.06**	**109.15**
Depreciation	28.65	5.65	34.30
Disposals	(10.06)	-	(10.06)
As at 31 March 2023	**120.68**	**12.71**	**133.39**
Accumulated impairment			
As at 1 April 2021	0.77	-	0.77
Impairment loss (refer note 37)	65.43	-	65.43
As at 31 March 2022	**66.20**	**-**	**66.20**
Impairment loss (refer note 37)	-	-	-
Disposals	(26.30)	-	(26.30)
As at 31 March 2023	**39.90**	**-**	**39.90**
Net carrying amount			
As at 31 March 2022	**188.43**	**162.57**	**351.00**
As at 31 March 2023	**195.82**	**156.92**	**352.74**

****All lease title deeds of immovable properties are held in the name of Company.***

4 GOODWILL

Particulars	Amount
Gross carrying amount	
As at 1 April 2021	504.57
Acquisitions	-
As at 31 March 2022	**504.57**
Acquisitions	-
As at 31 March 2023	**504.57**
Accumulated impairment	
As at 1 April 2021	**-**
Impairment loss (refer note 45)	-
As at 31 March 2022	**-**
Impairment loss (refer note 45)	-
As at 31 March 2023	**-**
Net carrying amount	
As at 31 March 2022	**504.57**
As at 31 March 2023	**504.57**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

5 OTHER INTANGIBLE ASSETS

Particulars	Franchisee rights	License fees	Computer softwares	Total
Gross carrying amount				
As at 1 April 2021	1,059.83	997.80	100.50	2,158.13
Additions	-	130.67	58.35	189.02
Disposals/adjustments	-	320.76	0.91	321.67
As at 31 March 2022	**1,059.83**	**807.71**	**157.94**	**2,025.48**
Additions	-	163.17	63.17	226.34
Disposals/adjustments	-	22.93	0.64	23.57
As at 31 March 2023	**1,059.83**	**947.95**	**220.47**	**2,228.25**
Accumulated amortisation				
As at 1 April 2021	48.46	177.03	76.76	302.25
Amortisation	105.50	82.31	7.81	195.62
Disposals/adjustments	-	9.55	0.82	10.37
As at 31 March 2022	**153.96**	**249.79**	**83.75**	**487.50**
Amortisation	106.69	101.92	15.27	223.88
Disposals/adjustments	-	7.76	0.54	8.30
As at 31 March 2023	**260.65**	**343.95**	**98.48**	**703.08**
Accumulated impairment				
As at 1 April 2021	-	26.58	7.40	33.98
Impairment loss	-	25.92	-	25.92
Impairment (reversal)	-	(9.87)	(3.97)	(13.84)
Disposals	-	1.21	0.05	1.26
As at 31 March 2022	**-**	**41.42**	**3.38**	**44.80**
Impairment loss	-	-	-	-
Impairment (reversal)	-	(9.65)	-	(9.65)
Disposals	-	1.54	0.04	1.58
As at 31 March 2023	**-**	**30.23**	**3.34**	**33.57**
Net carrying amount				
As at 31 March 2022	**905.87**	**516.50**	**70.81**	**1,493.18**
As at 31 March 2023	**799.18**	**573.77**	**118.65**	**1,491.60**

Note:

For details regarding impairment assessment of intangible assets - refer note 45.

6A INVESTMENTS IN SUBSIDIARIES

Particulars	As at 31 March 2023	As at 31 March 2022
Investment in unquoted equity shares (valued at cost)		
Devyani International (Nepal) Private Limited, a wholly owned subsidiary Principal place of business - Nepal^		
1,696,375 (previous year: 1,591,346) equity shares of NPR 100/- each, fully paid up [includes bonus shares of 105,029 shares (previous year: 333,380)]	94.07	94.07

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

Particulars	As at 31 March 2023	As at 31 March 2022
Devyani Food Street Private Limited, a wholly owned subsidiary Principal place of business - India*		
8,908,900 (previous year: 8,908,900) equity shares of INR 10/- each, fully paid up	304.68	304.68
Provision for impairment loss in the value of above investment (refer note 50)	(197.19)	(197.19)
RV Enterprizes Pte. Limited, Singapore, a subsidiary Principal place of business - Singapore		
2,415,579 (previous year: 2,415,579) equity shares of SGD 1/- each, fully paid up. The Company's shareholding in the above is 87% (refer note 48)	108.93	108.93
Devyani Airport Services (Mumbai) Private Limited, a wholly owned subsidiary Principal place of business - India		
49,948,036 (previous year: 49,948,036) equity shares of INR 10/- each, fully paid up. The Company's shareholding in the above is 100% with effect from 12 July 2021 (refer note 49)	153.87	153.87
	464.36	**464.36**
Investment in unquoted preference shares		
Valued at cost		
Investments in subsidiaries		
RV Enterprizes Pte. Limited, Singapore, a subsidiary		
10,997,925 (previous year: 10,997,925) 1% redeemable preference shares of USD 1/- each, fully paid up (refer note 48)**	615.30	615.30
	615.30	**615.30**
Aggregate value of unquoted investments in subsidiaries	**1,079.66**	**1,079.66**
Aggregate provision for impairment in value of investments in subsidiaries	**197.19**	**197.19**
The Company does not have any quoted investments during the current and previous year.		
Provision for impairment loss in value of investments in subsidiaries		
Opening provision as at the beginning of the year	197.19	196.14
Add: Provision created during the year	-	85.88
Less: Provision reversed/actualised during the year	-	(84.84)
Closing provision as at year end	**197.19**	**197.19**

^The Company had given loan to Devyani International (Nepal) Private Limited, a wholly owned subsidiary, at interest rate which is lower than the market rate of interest. Such loan had been fair valued and recorded as additional investment in the wholly owned subsidiary per generally accepted accounting principles in India and also the Company had given financial guarantee to Everest Bank Limited on behalf of Devyani International (Nepal) Private Limited, a wholly owned subsidiary, for the loan availed by the wholly owned subsidiary. Such financial guarantee had been fair valued and recorded as an additional investment in the wholly owned subsidiary.

*The Company had given financial guarantee to Yes Bank Limited on behalf of Devyani Food Street Private Limited, a wholly owned subsidiary, for the loan availed by the wholly owned subsidiary. Such financial guarantee had been fair valued and recorded as an additional investment in the wholly owned subsidiary per generally accepted accounting principles in India. During the year ended 31 March 2022, the Company has waived INR 102.43 receivables of its wholly owned subsidiary, which is in substance being treated as capital contribution (investment) made towards the subsidiary.

**The preference shares are redeemable at the option of the subsidiary RV Enterprizes Pte. Limited, Singapore, hence the same are carried at cost considering the investment evidencing a residual interest and therefore treated as equity investment.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

6B INVESTMENTS

Particulars	As at 31 March 2023	As at 31 March 2022
Investment in unquoted preference shares (valued at fair value through profit or loss)*		
Investments in subsidiaries		
Devyani International (Nepal) Private Limited, a wholly owned subsidiary		
400,000 (previous year: 400,000) 5% redeemable, non cumulative and non convertible preference shares of NPR 100/- each, fully paid up	25.67	25.35
	25.67	**25.35**
Aggregate value of unquoted investments	**25.67**	**25.35**

Note: Information about the Company's exposure to credit and market risks, and fair value measurements, is included in note 35.

** The Company's corporate finance team does this valuation using discounted cashflow model approach. Further, the carrying amount of the investments as at year end and impact recognised during the year end, are not material for the Company.*

7 LOANS

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Loans to related parties [considered good, unsecured (refer note 38)]*	543.63	579.59	27.17	35.34
	543.63	**579.59**	**27.17**	**35.34**

**includes interest accrued on loans to related parties amounting to INR 72.53 (31 March 22: INR 64.30).*

Particulars (also refer note 43)	As at 31 March 2023	As at 31 March 2022
Loan of INR 124.40 (31 March 2022: INR 157.40) to Devyani Airport Services (Mumbai) Private Limited	126.29	168.65
(a) The unsecured loan is repayable in 20 quarterly instalments after completion of 1 year from date of final disbursement. The quarterly instalments will be due on the last day of each quarter. (b) The interest rate applicable is 8% p.a w.e.f 1 October 2021 vide addendum loan agreement with the lender (payable on yearly basis). (c) The loan is to be utilised for operational activities carried out by the borrower.		
Loan of INR 328.87 (31 March 2022: INR 303.23) to RV Enterprizes Pte. Limited	398.93	350.01
(a) The unsecured loan is repayable in one or more tranches before 31 December 2025. (b) Interest rate is equal to LIBOR plus 3.00% per annum payable at the maturity of the loan term. (c) The loan will be utilised for the expansion of business of the borrower.		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

Particulars (also refer note 43)	As at 31 March 2023	As at 31 March 2022
Loan of INR 45.00 (31 March 2022: INR 90.00) to Devyani Food Streets Private Limited	45.58	96.27
(a) This term loan is repayable in 12 quarterly instalments after the end of moratorium period of three year from the date of disbursement. (b) The interest rate applicable is 8% p.a w.e.f 1 October 2021 vide addendum loan agreement with the lender (payable on yearly basis). (c) The loan is to be utilised for the working capital requirements.		

Note:
There are no loans or advances in the nature of loans, which are repayable on demand or given without specifying the terms of repayment.

8 OTHER FINANCIAL ASSETS

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good				
Security deposits	559.87	435.33	89.18	135.17
Bank deposits *#	4.44	0.94	-	841.49
Lease rental receivables	22.05	41.22	15.43	20.27
Finance lease receivables	88.33	84.70	14.47	11.64
Other receivables**@	-	-	107.79	320.84
	674.69	**562.19**	**226.87**	**1,329.41**
Other receivables and security deposits (credit impaired)	-	-	25.76	13.76
Less: loss allowance	-	-	(25.76)	(13.76)
	674.69	**562.19**	**226.87**	**1,329.41**

**Bank deposits include INR 4.44 (31 March 22: INR 0.94) as deposits with banks under lien. These deposits are used for issuing letter of credit/ standby letter of credit/ bank guarantees.*

 # Includes interest accrued but not due on bank deposits amounting to INR 0.06 (31 March 22: INR 14.92).

*** Includes receivables from related party (refer note 38).*

@ As at 31 March 2022, includes amount for incentives receivable from Yum Restaurant (India) Private Limited (also refer note 54).

9 OTHER ASSETS

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Capital advances	98.68	278.27	-	-
Other advances:				
- Prepaid expenses	34.33	9.97	76.43	33.16
- Balance with statutory/government authorities	-	-	160.65	128.47
- Amount paid under protest	7.41	7.41	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
- Advances to employees	-	-	46.75	30.84
- Advance to suppliers	-	-	53.33	36.68
	140.42	**295.65**	**337.16**	**229.15**
Less: loss allowance for advance to suppliers	-	-	(10.14)	(5.84)
	140.42	**295.65**	**327.02**	**223.31**

10 INVENTORIES

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials including packaging materials (refer note below)	1,116.07	703.46
Stores and spares	26.45	27.74
	1,142.52	**731.20**

Note:

(1) This includes provision for obsolete inventory amounting to INR 10.56 (31 March 2022: INR 21.00).These were recognised as an expense during the respective financial years under head 'Cost of materials consumed'.

(ii) The above inventories are being valued at cost.

11 TRADE RECEIVABLES

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables		
- Considered good- unsecured	293.08	306.39
- Credit impaired	11.84	21.64
	304.92	**328.03**
Less: loss allowance (refer note 35)	(11.84)	(21.64)
	293.08	**306.39**

Sub notes:

- Trade receivables includes receivables from related parties, refer note 38.

- The carrying amount of trade receivables approximates their fair value is included in note 35.

- The Company's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in note 35.

- The Company has also performed credit risk assessment of their trade receivables as on the reporting dates on individual level.

- The Company has no unbilled dues.

- Includes amounts due, in the ordinary course of business, from companies in which directors of the Holding Company are also directors, (refer note 38):

RJ Corp Limited
Devyani Airport Services (Mumbai) Private Limited

Devyani Food Street Private Limited
Devyani Food Industries Limited and
Lineage Healthcare Limited
Global Health Private Limited

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

Trade receivables ageing schedule on 31 March 2023

	Outstanding for following periods from due date						
	Not Due	Less than 6 months	6 months -1 year	1 -2 year	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables-considered good	249.30	12.27	31.51	-	-	-	293.08
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables-credit impaired	-	-	0.10	0.93	4.43	2.90	8.36
(iv) Disputed trade receivables-considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables-credit impaired	-	-	-	-	1.09	2.39	3.48
Total	**249.30**	**12.27**	**31.61**	**0.93**	**5.52**	**5.29**	**304.92**

Trade receivables ageing schedule as on 31 March 2022

	Outstanding for following periods from due date						Total
	Not Due	Less than 6 months	6 months -1 year	1 -2 year	2-3 years	More than 3 years	
(i) Undisputed trade receivables-considered good	186.50	65.47	18.19	24.66	11.57	-	306.39
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables-credit impaired	-	-	0.93	5.83	2.64	2.14	11.54
(iv) Disputed trade receivables-considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables-credit impaired	-	-	0.25	1.48	5.47	2.90	10.10
Total	**186.50**	**65.47**	**19.37**	**31.97**	**19.68**	**5.04**	**328.03**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

12 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with banks :		
- On current accounts	329.68	167.50
- in deposits accounts	120.03	180.04
Cash on hand	19.17	35.66
Cash in transit	22.21	16.78
	491.09	**399.98**

13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2023	As at 31 March 2022
Other bank balances*		
- On deposit account ^	222.08	7.11
	222.08	**7.11**
*Bank deposits include INR Nil (31 March 2022: INR 1.39) being bank deposits placed as security under lien with various parties.		
^Includes interest accrued but not due on bank deposits amounting to INR 6.87 (31 March 2022: INR 0.05)		

14 EQUITY SHARE CAPITAL

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised		
5,000,000,000 (31 March 2022 : 5,000,000,000) equity shares of INR 1/- each	5,000.00	5,000.00
	5,000.00	**5,000.00**
Issued, subscribed and fully paid -up		
1,204,961,378 (31 March 2022 : 1,204,736,378) equity shares of INR 1/- each	1204.96	1204.74
	1204.96	**1204.74**

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

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares issued, subscribed and fully paid up				
At the beginning of the year	1,204,736,378	1,204.74	1,153,634,990	1,153.63
Issued during the year	225,000	0.22	51,101,388	51.11
At the end of the year	**1,204,961,378**	**1204.96**	**1,204,736,378**	**1,204.74**

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity share having a par value of INR 1.00/- 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 shareholder.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

c) Shares reserved for issue under options and contracts

For terms and other details of shares reserved for issue and options exercised during the year under Employee Stock Option Schemes ("ESOS") of the Company- refer note 42.

d) Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	**% holding**	**No. of shares**	**% holding**
- RJ Corp Limited, India, holding and ultimate holding company				
Equity shares of INR 1/- each fully paid-up	714,821,970	59.32	714,821,970	59.33
	714,821,970	**59.32**	**714,821,970**	**59.33**

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

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	**% holding**	**No. of shares**	**% holding**
-RJ Corp Limited, India, holding company				
Equity shares of INR 1/- each	714,821,970	59.32	714,821,970	59.33
-Dunearn Investments (Mauritius) Pte Limited*				
Equity shares of INR 1/- each	-	-	98,000,000	8.13

** the share holding is less than 5% and hence not reported on 31 March 2023.*

f) Shareholding of Promoters*

Promoter's name	As at 31 March 2023			As at 31 March 2022		
	No. of shares	**% holding**	**% Change during the year**	**No. of shares**	**% holding**	**% Change during the year**
-RJ Corp Limited, India, holding company						
Equity shares of INR 1/- each	714,821,970	59.32	(0.01)	714,821,970	59.33	(10.43)
-Mr. Varun Jaipuria						
Equity shares of INR 1/- each	39,625,617	3.29	(0.00)	39,625,617	3.29	(2.78)
-Mr. Ravi Kant Jaipuria						
Equity shares of INR 1/- each	2,114,103	0.18	(0.00)	2,114,103	0.18	(1.31)

** Promoters for the purpose of this disclosure means promoters as defined under Section 2(69) of Companies Act, 2013.*

g) For the period of five years immediately preceding the reporting date, there was no share allotment made for consideration other than cash. Further, no bonus shares have been issued and there has been no buy back of shares during the period of five years immediately preceding 31 March 2023 and 31 March 2022.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

15 OTHER EQUITY (REFER STANDALONE STATEMENT OF CHANGES IN EQUITY)

a) Reserves and Surplus

Particulars	As at 31 March 2023	As at 31 March 2022
Share application money pending for allotment	14.46	-
Securities premium	12,459.93	12,450.28
Employee share options outstanding account (refer note 42)	150.63	44.27
General reserve	5.47	5.47
Retained earnings	(2,313.40)	(4,773.51)
	10,317.09	**7,726.51**

a) Share application pending allotment represents the amount received on the share application on which allotment is not yet made.

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

c) General reserve are free reserves of the Company which are kept aside out of the Company's profit to meet the future requirements as and when they arise. The Company had, in the previous years, transferred a portion of profit after tax to general reserve pursuant to the provisions of the erstwhile Companies Act, 1956.

d) Retained earnings are the accumulated losses earned by the Company till date, as adjusted for distribution to owners.

e) Employee stock option outstanding account is used to record the impact of employee stock option schemes. Refer note 42 for further details of these plans.

b) Other comprehensive income

Other comprehensive income pertains to remeasurement gains/ (losses) on defined benefit plans, which are transferred to retained earnings at the end of the year.

16 LEASE LIABILITIES

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Lease liabilities	12,343.63	8,736.39	780.26	724.21
	12,343.63	**8,736.39**	**780.26**	**724.21**

Note :

- Refer note 17 (for movement of financing activities)

- Refer note 36 (for details of leases)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

17 BORROWINGS

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Term loans (secured) from banks				
Indian rupee term loans	-	609.17	-	0.11
	-	**609.17**	**-**	**0.11**

Note :

The information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in note 35.

**Current portion of non current borrowings includes interest accrued of INR Nil (31 March 2022: INR 0.11) and same has been included in 'Current borrowings' (refer note 18).*

Changes in liabilities arising from financing activities

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening balance of borrowings and lease liabilities		
Indian rupee term loans	609.28	3,370.95
Foreign currency term loans	-	236.63
Cash credit facilities from banks	-	136.03
Lease liabilities	9,460.60	7,063.07
Cash flows		
Proceeds from non-current borrowings	-	609.17
Repayment of non-current borrowings	(609.17)	(3,638.94)
Repayment of cash credit facilities from banks	-	(136.03)
Finance cost paid	(24.48)	(129.82)
Payment of lease liabilities- principal	(625.05)	(259.05)
Payment of lease liabilities- interest	(1,196.38)	(884.08)
Non-cash changes		
Finance cost expense	1,237.64	1,044.72
Foreign currency exchange fluctuations	-	0.65
Additions/remeasurement/(termination) of lease liabilities	4,271.45	2,928.08
Gain on rent concession	-	(271.49)
Closing balance of borrowings and lease liabilities		
Indian rupee term loans	-	609.28
Lease liabilities	13,123.89	9,460.60

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

Terms of borrowings and security from banks

Bank	Description	31 March 2023		31 March 2022		Terms of repayment					
		Non-current	Current	Non-current	Current	Repayment schedule	Remaining maturity period (months)	No. of instalments outstanding	Instalments frequency	Interest Terms	Interest rates range (p.a.)
RBL Bank Limited	INR WCTL Term loan - II	-	-	609.17	0.11	The original repayment schedule is given below: - 9 instalments during FY 2023-24 - INR 12.69 each - 12 instalments during FY 2024-25 - INR 12.69 each - 12 instalments during FY 2025-26 - INR 12.69 each - 12 instalments during FY 2026-27 - INR 12.69 each - 3 instalments during FY 2027-28 - INR 12.69 each The loan has been fully prepaid on 11 October 2022.	-	-	Monthly	3M Mibor	6.00%-8.08% (Previous year: 6.00% - 6.42%)

Terms of security
Second pari passu charge by way of hypothecation of the Company's entire moveable property, plant and equipment both present and future and equitable mortgage on the immovable property, plant and equipment of the Company's industrial.

Note:

(a) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date. Further, there were no loans taken by the Company during the year ended 31 March 2023.

(b) The quarterly returns/statements of current assets filed by the Company with banks or financial institutions in relation to secured borrowings / sanctioned loans, wherever applicable, are in agreement with the books of accounts.

(c) The charge created on property, plant and equipment as at 31 March 2023 is for undrawn facilities/sanctioned facilities.

18 CURRENT BORROWINGS

Particulars	As at 31 March 2023	As at 31 March 2022
Current portion of non-current borrowings (refer note 17)	-	0.11
	-	**0.11**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

19 OTHER FINANCIAL LIABILITIES

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Security deposits payable	39.22	37.55	15.55	15.01
Employee related payables	-	-	434.54	278.64
Capital creditors	-	-	696.04	244.89
Other payables	-	-	6.74	35.51
	39.22	**37.55**	**1,152.87**	**574.05**

20 PROVISIONS

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits				
Gratuity (refer note 40)	92.82	95.19	49.74	46.92
Compensated absences	68.34	64.71	35.28	28.53
	161.16	**159.90**	**85.02**	**75.45**

21 OTHER LIABILITIES

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Deferred income/incentives (refer note 54)	23.36	10.22	172.72	0.13
Statutory dues:				
Goods and services tax payable	-	-	87.13	88.83
Tax deducted at source payable	-	-	121.24	132.26
Other statutory dues	-	-	52.86	36.25
Advances from customers*	-	-	27.49	6.27
	23.36	**10.22**	**461.44**	**263.74**

*Contract balances

The following table provides information about contractual liability (advance from customers) from contract with customers:

Contract liabilities (advances from customers against sale of goods)	As at 31 March 2023	As at 31 March 2022
Opening balance	6.27	31.12
Revenue recognized that was included in the contract liability balance at the beginning of the year	(6.27)	(31.12)
Closing balance	**27.49**	**6.27**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

22 TRADE PAYABLES

Particulars	As at 31 March 2023	As at 31 March 2022
Micro enterprises and small enterprises (refer note below)	223.72	170.41
Other than micro enterprises and small enterprises*	1,808.57	1,383.65
	2,032.29	**1,554.06**
* Includes payable to related parties (refer note 38).		
The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 35.		

Dues to micro and small enterprises

Particulars	As at 31 March 2023	As at 31 March 2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year:		
- Principal	204.10	160.26
- Interest	19.62	10.15
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	378.70	374.60
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the interest specified under MSMED Act, 2006.	9.47	6.76
The amount of interest accrued and remaining unpaid at the end of each accounting year.	9.47	6.76
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.	10.15	3.39

Trade payables ageing schedule as at 31 March 2023

	Outstanding for following periods from due date						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	137.40	79.56	6.76	-	-	223.72
(ii) Others	389.21	632.97	702.59	51.12	8.28	9.20	1,793.37
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed Others dues	-	-	15.20	-	-	-	15.20
Total	**389.21**	**770.37**	**797.35**	**57.88**	**8.28**	**9.20**	**2,032.29**

Trade payables ageing schedule as at 31 March 2022

	Outstanding for following periods from due date						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	115.63	47.20	4.71	2.87	-	170.41
(ii) Others	557.44	388.17	389.28	19.87	5.76	6.23	1,366.75
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed Others dues	16.90	-	-	-	-	-	16.90
Total	**574.34**	**503.80**	**436.48**	**24.58**	**8.63**	**6.23**	**1,554.06**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

23 REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products		
Finished goods	26,238.39	18,235.41
Traded goods	215.33	124.59
Other operating revenues		
Marketing and other services	59.64	51.54
Rental and maintenance income	138.23	106.67
Management fee	-	1.43
Scrap sales	31.85	13.08
	26,683.44	**18,532.72**
Set out below is the disaggregation of the Company's revenue from contracts with customers:		
Revenue recognised at the point of time	26,485.57	18,373.08
Revenue recognised over the period of time	197.87	159.64
Total revenue from contracts with customers	**26,683.44**	**18,532.72**
Revenue disaggregation as per geography has been included in segment information (refer note 41).		
Contract liabilities		
The Company has recognised the following revenue-related contract liabilities:		
Contract liabilities (refer note 21)	27.49	6.27

24 OTHER INCOME

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income under effective interest method from:		
- bank deposits	41.87	27.08
- loan to subsidiaries	37.27	36.45
- others	0.14	2.26
Interest income from financial assets at amortized cost	62.03	54.02
Dividend income	1.25	1.25
Gain on sale of current investment	0.41	-
Liabilities no longer required written back	3.05	21.00
Net gain on foreign currency transactions and translations	28.33	8.78
Gain on termination/modification of lease liabilities	149.96	8.08
Derivatives at fair value through profit and loss	-	0.72
Gain on investment carried at fair value through profit or loss	0.32	3.28
Others	-	0.45
	324.63	**163.37**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

25 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Raw material including packing material consumed		
Inventories at the beginning of the year	703.46	522.71
Add: Purchases during the year	8,308.86	5,380.13
Less: Inventories at the end of the year	(1,116.07)	(703.46)
	7,896.25	**5,199.38**

26 PURCHASES OF STOCK-IN-TRADE

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Purchases of stock-in-trade	198.38	111.83
	198.38	**111.83**

27 EMPLOYEE BENEFIT EXPENSE

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus #	2,795.58	2,014.35
Contribution to provident and other funds	201.83	126.92
Gratuity (refer note 40)	30.20	28.34
Staff welfare expenses	87.08	58.00
	3,114.69	**2,227.61**

 # The amount includes ""Employee stock option expenses"" for INR 108.94 (31 March 2022: INR 64.12). Refer note 42.

28 FINANCE COSTS

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense *	1,237.64	1,026.35
Other borrowing costs	-	32.32
	1,237.64	**1,058.67**

**includes interest on lease liabilities of INR 1,196.38 (31 March 2022: INR 884.08) (refer note 36)*

29 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment (refer note 3A)	981.17	759.77
Depreciation on right-of-use assets	1,149.34	857.91
Depreciation on investment properties (refer note 3D)	34.30	39.46
Amortisation of other intangible assets (refer note 5)	223.88	195.62
	2,388.69	**1,852.76**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

30 IMPAIRMENT OF NON-FINANCIAL ASSETS

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Reversal of impairment on property, plant and equipment (refer note 3A)	(17.70)	(51.06)
Impairment on right-of-use assets	21.95	30.75
Impairment on investment properties (refer note 3D)	-	65.43
(Reversal)/Impairment of other intangible assets (refer note 5)	(9.65)	12.08
	(5.40)	**57.20**

31 OTHER EXPENSES

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Stores and spares consumed	159.24	89.76
Power and fuel	1,656.52	985.87
Rent [refer note 36 A (ii)]	1,184.04	658.90
Repairs and maintenance		
- Plant and equipment	219.81	137.22
- Buildings	439.78	338.75
- Others	153.46	102.59
Rates and taxes	48.50	52.60
Travelling and conveyance	140.56	90.83
Legal and professional	50.17	37.44
Auditor's remuneration (refer note below)	11.84	9.13
Water	66.38	40.24
Insurance	10.08	14.92
Printing and stationery	24.76	16.00
Communication	108.29	75.46
Sitting fee/commission paid to non-executive director [refer note 38(III)]	29.99	20.33
Security and service	119.28	75.53
Bank charges	7.91	9.86
Advertisement and sales promotion	1,312.09	943.71
Commission and brokerage	1,762.11	1,589.13
Royalty and continuing fees	1,887.04	1,321.37
Freight including delivery charges	451.57	327.09
Loss on sale of property, plant and equipment (net)	3.40	15.21
Bad debts and advances written off	10.08	7.01
Loss allowance	6.34	5.66
General office and other miscellaneous	174.26	87.82
	10,037.50	**7,052.43**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

Note - Auditor's remuneration

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditor		
Statutory audit and reviews*	9.72	8.60
Tax matters	1.18	0.20
Others matters #	0.48	3.24
Outlays	0.46	0.33
	11.84	**12.37**

Inclusive of applicable taxes

In the year ended 31 March 2022, INR 3.24 paid towards assurance services in connection with the Initial Public Offering of equity shares of the Company and included in 'share issue expenses' as shown in Statement of Changes in Equity.

32 EXCEPTIONAL ITEMS

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Reversal of impairment loss in value of investments in subsidiary (refer note 6A & 49)	-	(84.84)
Provision for impairment loss in value of investments in subsidiary (refer note 6A & 50)	-	85.89
IPO expenses (refer note 52)	-	12.10
	-	**13.16**

33. TAX EXPENSE

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
The tax expense comprises of :		
Current tax	170.41	-
Deferred tax	(490.81)	(410.78)
	(320.40)	**(410.78)**
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit for the year	**2,140.32**	**1,123.05**
Tax using the Company's domestic tax rate: 25.168% (31 March 2022: 25.168%)	538.68	282.65
Deferred tax utilised during the year	(378.04)	(282.65)
Others	9.77	-
Deferred tax recognised during the year	(490.81)	(410.78)
	(320.40)	**(410.78)**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

Particulars	As at 31 March 2023	As at 31 March 2022
Income tax assets (net)		
Advance taxes (net of provision of tax INR 170.41) (31 March 2022: INR Nil)	389.30	166.43
	389.30	**166.43**
Deferred taxes (net)		
The balance comprises temporary differences attributable to:		
Tax effect of items constituting deferred tax assets:		
Unused losses and unabsorbed depreciation	-	375.24
Expenses allowed on payment/actual basis	114.77	96.65
Provision for impairment of investments	120.99	121.34
Lease liabilities (net of right of use assets)	446.49	376.28
Property, plant and equipment exceeds its tax base	149.73	265.42
Financial instruments measured at amortised cost	70.02	44.91
Deferred tax assets	**902.00**	**1,279.84**
Tax effect of items constituting deferred tax liabilities		
Financial instruments measured at amortised cost	(0.21)	(0.22)
Deferred tax liabilities	**(0.21)**	**(0.22)**
Net deferred tax assets	901.79	1,279.62
Deferred tax assets recognised (net)	**901.79**	**410.78**

(i) The Company has measured its deferred tax assets and liabilities based on the income tax rates that are expected to apply to the period when such assets/liabilities are expected to be realized/settled. As per section 115BAA of the Income-tax Act 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019 (Ordinance), the Company has opted lower tax rate of 25.168%. Hence, deferred tax asset has been measured at 25.168%.

(ii) During the year ended 31 March 2022, the Company had recognized deferred tax assets of INR 410.78 based on the business projections of taxable earnings in the near future at that point in time. While recognizing such deferred tax assets, the Company has been cognizant enough to consider the history of losses they have, uncertainties of business in place and rising input costs. Carrying value of deferred tax assets (net) is INR 410.78 as at 31 March 2022. However, during the current year, owning to improved financial performance of the Company and expected taxable earnings for near future, the Company has recognised the unrecognised deferred tax asset amounting to INR 868.84 and the carrying value is INR 901.79 as at 31 March 2023.

Notes:

(i) **Movement in deferred tax assets/(liabilities) for the period ended 31 March 2023**

	As at 31 March 2022	Credited/(charged)		As at 31 March 2023
		Profit or Loss	OCI	
Tax effect of items constituting deferred tax assets:				
Unused losses and unabsorbed depreciation	375.24	(375.24)	-	-
Expenses allowed on payment/actual basis	96.65	17.92	0.20	114.77
Provision for impairment of investments	121.34	(0.35)	-	120.99
Lease liabilities (net of right-of-use assets)	376.28	70.21	-	446.49
Property, plant and equipment exceeds its tax base	265.42	(115.69)	-	149.73
Financial instruments measured at amortised cost	44.91	25.11	-	70.02
Deferred tax assets	**1,279.84**	**(378.04)**	**0.20**	**902.00**

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

	As at 31 March 2022	Credited/(charged) Profit or Loss	Credited/(charged) OCI	As at 31 March 2023
Tax effect of items constituting deferred tax liabilities				
Financial instruments measured at amortised cost	(0.22)	0.01	-	(0.21)
Deferred tax liabilities	**(0.22)**	**0.01**	**-**	**(0.21)**
Net deferred tax assets	**1,279.62**	**(378.03)**	**0.20**	**901.79**
Deferred tax assets recognised (net)	**410.78**	490.81	**0.20**	**901.79**
Deferred tax assets not recognised (net)	**868.84**	(868.84)	-	-

Movement in deferred tax assets/(liabilities) for the period ended 31 March 2022

	As at 31 March 2021	Credited/(charged) Profit or Loss	Credited/(charged) OCI	As at 31 March 2022
Tax effect of items constituting deferred tax assets:				
Unused losses and unabsorbed depreciation	824.88	(449.64)	-	375.24
Expenses allowed on payment/actual basis	85.74	10.49	0.42	96.65
Employee stock option outstanding account	3.62	(3.62)	-	-
Derivative instruments	1.82	(1.82)	-	-
Provision for impairment of investments	101.29	20.05	-	121.34
Lease liabilities (net of right of use assets)	292.00	84.28	-	376.28
Property, plant and equipment exceeds its tax base	331.80	(66.38)	-	265.42
Financial instruments measured at amortised cost	26.66	18.25	-	44.91
Deferred tax assets	**1,667.81**	**(388.39)**	**0.42**	**1,279.84**
Tax effect of items constituting deferred tax liabilities				
Financial instruments measured at amortised cost	(7.96)	7.74	-	(0.22)
Deferred tax liabilities	**(7.96)**	**7.74**	**-**	**(0.22)**
Net deferred tax assets/(liabilities)	**1,659.85**	**(380.65)**	**0.42**	**1,279.62**

(ii) The unused tax benefits for which no deferred tax assets is recognised, are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Unused tax losses (expiry AY 2029-2030)		
Gross amount	-	152.08
Unrecognised tax impacts	-	38.27
Other deductible temporary differences (never expire)		
Gross amount	-	3,300.09
Unrecognised tax impacts	-	830.57

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34. EARNINGS PER SHARE (EPS)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit attributable to equity shareholders for calculation of basic and diluted EPS	2,460.72	1,533.83
Weighted average number of equity shares for the calculation of basic EPS	1,20,47,67,816	1,18,49,62,588
Effect of dilutive potential equity shares		
– Employee stock options #	38,51,680	25,48,985
Weighted average number of equity shares for calculation of diluted EPS	**1,20,86,19,496**	**1,18,75,11,573**
Earnings per equity share (INR) (basic)	2.04	1.29
Earnings per equity share (INR) (diluted)	2.04	1.29
Nominal value per shares (INR)	1.00	1.00

 # Employee Options granted to employees under the Employee Share Option Schemes are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Refer note 42.

35. FAIR VALUE MEASUREMENT AND FINANCIAL INSTRUMENTS

a. Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(i) As on 31 March 2023

Particulars	Note	Carrying value			
		Mandatory at FVTPL	Fair value through other comprehensive income ('FVOCI')	Amortised cost	Total
Financial assets					
Non - current					
(i) Investments @	6B	25.67	-	-	25.67
(ii) Loans*	7	-	-	543.63	543.63
(iii) Other financial assets*	8	-	-	674.69	674.69
Current**					
(i) Trade receivables*	11	-	-	293.08	293.08
(ii) Cash and cash equivalents*	12	-	-	491.09	491.09
(iii) Bank balances other than cash and cash equivalents, above *	13	-	-	222.08	222.08
(iv) Loans *	7	-	-	27.17	27.17
(v) Other financial assets*	8	-	-	226.87	226.87
Total		**25.67**	**-**	**2,478.61**	**2,504.28**
Financial liabilities					
Non - current					
(i) Lease liabilities	16	-	-	12,343.63	12,343.63
(ii) Other financial liabilities	19	-	-	39.22	39.22

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

Particulars	Note	Carrying value			
		Mandatory at FVTPL	Fair value through other comprehensive income ('FVOCI')	Amortised cost	Total
Current					-
(i) Lease liabilities	16	-	-	780.26	780.26
(ii) Trade payables*	22	-	-	2,032.29	2,032.29
(iii) Other financial liabilities	19	-	-	1,152.87	1,152.87
Total		**-**	**-**	**16,348.27**	**16,348.27**

(i) As on 31 March 2022

Particulars	Note	Carrying value			
		Mandatory at FVTPL	FVOCI	Amortised cost	Total
Financial assets					
Non - current					
(i) Investments @	6B	25.35	-	-	25.35
(ii) Loans*	7	-	-	579.59	579.59
(iii) Other financial assets*	8	-	-	562.19	562.19
Current**					
(i) Trade receivables*	11	-	-	306.39	306.39
(ii) Cash and cash equivalents*	12	-	-	399.98	399.98
(iii) Bank balances other than cash and cash equivalents, above *	13	-	-	7.11	7.11
(iv) Loans	7	-	-	35.34	35.34
(v) Other financial assets*	8	-	-	1,329.41	1,329.41
Total		**25.35**	**-**	**3,220.01**	**3,245.36**
Financial liabilities					
Non - current					
(i) Lease liabilities	16	-	-	8,736.39	8,736.39
(ii) Borrowings#	17	-	-	609.17	609.17
(iii) Other financial liabilities	19	-	-	37.55	37.55
Current					
(i) Lease liabilities	16	-	-	724.21	724.21
(ii) Borrowings#	18	-	-	0.11	0.11
(iii) Trade payables*	22	-	-	1,554.06	1,554.06
(iv) Other financial liabilities	19	-	-	574.05	574.05
Total		**-**	**-**	**12,235.54**	**12,235.54**

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

*** For details regarding charge on such current financial assets - refer note 17.*

 # The Company's lease liabilities and 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.

@ Measured using level 3 inputs.

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for the year ended 31 March 2023

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Other notes:

The investment in equity and preference shares of subsidiaries are measured at cost. Refer note 6A for further details.

There has been no transfer from level 3 to level 1 and level 2 for the year ended 31 March 2023 and 31 March 2022.

Valuation techniques used to determine fair values:

Specific valuation techniques used to value financial instruments include:

- Fair value of financial instruments using present value techniques, which is based on discounting expected cash flows using a risk-adjusted discount rate.

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team performs valuation either internally or externally through valuers and reports directly to the senior management. Discussions on valuation and results are held between the senior management and valuation team on annual basis. Further, the carrying value of investments measured at FVTPL, are not material.

Significant inputs

Significant unobservable input used in Level 3 fair values of investments measured at FVTPL is discount rate which is weighted average cost of borrowing of the Company plus spread of corporate guarantee commission which is 7.40% (31 March 2022: INR 7.20%) and estimated cash flows of respective companies in which investment in preference shares is made.

Reconciliation of Level 3 recurring fair value measurement is as follows:

The following table provides the details as to changes in value of financial instruments categorised within level 3 of the fair value hierarchy:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Investment in preference shares		
Balance at the beginning of the year	25.35	22.08
Additions during the year	Nil	Nil
Disposals during the year	Nil	Nil
Unrealised gains recognised in profit or loss*	0.32	3.27
Balance at the end of the year	**25.67**	**25.35**

** Unrealised gains recognised in profit or loss under head "Other income". Refer note. 24*

Sensitivity analysis of significant unobservable inputs

The carrying values of investments measured through at fair value through profit and loss are not material. Hence the management believes, changes in significant observable inputs will not have a material impact of financial position of the Company.

b. Financial risk management

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

- Credit risk;
- Liquidity risk;
- Market Risk - Interest Rate; and
- Market Risk - Foreign Currency

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

Risk Management Framework

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

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

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

i. Credit risk

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

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Loans	570.80	614.93
(ii) Investments	1,105.33	1,105.01
(iii) Trade receivables	293.08	306.39
(iv) Cash and cash equivalents	491.09	399.98
(v) Bank balances other than cash and cash equivalents, above	222.08	7.11
(vi) Other financial assets (current and non-current)	901.56	1,891.60

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk on cash and cash equivalents and bank deposits (shown under bank balances other than cash and cash equivalents, above) and other financial assets is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. The other financial assets 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. Loan to subsidiaries will be repaid as per the terms of the agreement and there has been no default in repayment of such loans by subsidiaries.

The exposure to the credit risk at the reporting date is primarily from loan to subsidiaries, security deposit receivables and investment in subsidiaries. The Investment and Borrowing Committee monitors the investment in subsidiaries and loans granted to subsidiaries and it evaluates if any impairment is required. As at year end, Investment and Borrowing Committee based on the internal and external valuation and after assessing the performance of the subsidiaries, is of the view that no impairment is required (refer note 32).

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India and Nepal. Trade receivables also includes receivables from credit card companies and online aggregator platforms, which are generally realisable on fortnightly basis. The Company does monitor the economic environment in which it operates. The Company manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

The Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available internal credit risk factors such as the Company's historical experience for customers. Based

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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on the business environment in which the Company operates, management considers that the trade receivables are in default (credit impaired) if the payments are more than 90 days past due however, the Company based upon past trends determines an impairment allowance for loss on receivables (other than receivables from related parties) outstanding for more than 180 days past due. Majority of trade receivables are from domestic customers, which are fragmented and are not concentrated to individual customers. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

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

Changes in the loss allowance in respect of trade receivables	For the year ended 31 March 2023	For the year ended 31 March 2022
Balance at the beginning of the year	21.64	28.08
Bad debts written off	(10.08)	(7.01)
Impairment allowances for doubtful receivables	0.28	0.57
Balance at the end of the year	**11.84**	**21.64**

- For trade receivables ageing refer note 11. Also, the management of the Company has preferred credit risk assessment on individual basis for trade receivables.

- For security deposits and other receivables also management has preferred credit risk assessment at category level and individual level. Based on this, the management has concluded that there are no significant Impact other than already provided for, in the standlone financial statements (refer note 8).

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to manage liquidity is to have sufficient liquidity to meet it's liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Company's reputation.

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

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.
- It maintains adequate source of financing through the use of short term bank deposits and cash credit facility.
- The Company assessed the concentration of risk with respect to its financial liabilities and concluded it to be low

As on 31 March 2023 the Company has undrawn credit facility for INR 975.33 (31 March 2022: INR 936.87)

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Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flow amounts are gross and undiscounted.

As at 31 March 2023	Contractual cash flows				
Financial liabilities	**Carrying amount**	**Within 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Lease liabilities	13,123.89	2,061.66	8,204.87	13,598.52	23,865.05
Trade payables	2,032.29	2,032.29	-	-	2,032.29
Security deposits payable	54.77	32.94	30.60	-	63.54
Capital creditors	696.04	696.04	-	-	696.04
Others	441.27	441.27	-	-	441.27
	16,348.26	**5,264.20**	**8,235.47**	**13,598.52**	**27,098.19**

As at 31 March 2022	Contractual cash flows				
Financial liabilities	**Carrying amount**	**Within 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Borrowings	609.28	39.11	657.31	38.28	734.70
Lease liabilities	9,460.60	1,651.93	6,299.61	9,181.08	17,132.62
Trade payables	1,554.06	1,554.06	-	-	1,554.06
Security deposits payable	52.56	15.16	42.81	5.82	63.79
Capital creditors	244.89	244.89	-	-	244.89
Others	314.15	314.15	-	-	314.15
	12,235.54	**3,819.30**	**6,999.73**	**9,225.18**	**20,044.21**

(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.

A. Exposure to interest rate risk

The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Variable - rate instruments	As at 31 March 2023	As at 31 March 2022
Indian rupee term loan	-	609.28
	-	**609.28**

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Interest rate sensitivity analysis

The following table illustrates the sensitivity of profit or loss and other equity to a reasonably possible change in interest rates of +/- 1%. All other variables are held constant.

Change in interest rate on loans from Financial institutions (Variable - rate instruments)	Increase by 1%	Decrease by 1%
Increase / (decrease) in profit or loss and other equity for the year ended 31 March 2023	-	-
Increase / (decrease) in profit or loss and other equity for the year ended 31 March 2022	(6.09)	6.09

The Company is exposed to interest rate risk on account of variable rate borrowings. The Company's risk management policy is to mitigate its interest rate exposure in accordance with the exposure limits advised from time to time.

B. Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities. The Investment and Borrowing Committee evaluates foreign exchange rate exposure arising from foreign currency transactions on periodic basis and follows appropriate risk management policies.

Exposure to Foreign currency risk

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at 31 March 2023 and 31 March 2022 are as below:

Particulars	Currency	As at 31 March 2023		As at 31 March 2022	
		Amount (in foreign currency)	Amount (in INR)	Amount (in foreign currency)	Amount (in INR)
Financial assets					
Loans to related parties	USD	4.85	398.93	4.62	350.01
Total financial assets			**398.93**		**350.01**
Financial liabilities					
Trade payables	GBP	0.07	6.90	0.06	5.67
Capital creditors	EUR	0.23	20.69	-	-
Total financial liabilities			**27.59**		**5.67**

Sensitivity analysis

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

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Particulars	Profit for the year ended 31 March 2023		Profit for the year ended 31 March 2022	
	Gain/(Loss) on Appreciation	Gain/(Loss) on Depreciation	Gain/(Loss) on Appreciation	Gain/(Loss) on Depreciation
5% depreciation / appreciation in Indian Rupees against following foreign currencies:				
USD	(19.95)	19.95	(17.50)	17.50
GBP	0.35	(0.35)	0.28	(0.28)
EUR	1.03	(1.03)	-	-

Particulars	Other equity as at 31 March 2023		Other equity as at 31 March 2022	
	Gain/(Loss) on Appreciation	Gain/(Loss) on Depreciation	Gain/(Loss) on Appreciation	Gain/(Loss) on Depreciation
5% depreciation / appreciation in Indian Rupees against following foreign currencies:				
USD	(19.95)	19.95	(17.50)	17.50
GBP	0.35	(0.35)	0.28	(0.28)
EUR	1.03	(1.03)	-	-

USD: United States Dollar, GBP: Great British Pound,EUR: Euro

C. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. Based upon the Company's evaluation, there is no excessive risk concentration.

D. Offsetting financial assets and financial liabilities:

The following table represents recognised financial instruments that are subject to enforceable master netting arrangements and similar agreements but not set off as at 31 March 2023 and 31 March 2022.

Variable - rate instruments	As at 31 March 2023	As at 31 March 2022
Amounts subject to master netting arrangements		
Borrowings (non-current and current)	-	609.28
Lease liabilities (non-current and current)	13,123.89	9,460.60
	13,123.89	**10,069.88**
Financial instruments collateral		
Trade receivables	-	306.39
Cash and cash equivalents	-	399.98
Other balances with banks	-	7.11
Loans	-	614.93
Other financial assets	649.05	1,891.60
	649.05	**3,220.01**
Net amount *	**12,474.84**	**6,849.87**

** Net amount shows the impact on the Company's standalone balance sheet, if all rights were exercised.*

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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36. LEASES

A. Leases where the Company is a lessee

The Company leases several assets including buildings for food outlets and warehouse. Lease payments are generally fixed or are linked to revenue with minimum guarantee and lease term ranges 1-30 years.

i. Lease liabilities

Lease liability included in balance sheet	As at 31 March 2023	As at 31 March 2022
Current	780.26	724.21
Non-current	12,343.63	8,736.39

Note: Refer note 35 for maturity analysis of lease liabilities.

ii. Amounts recognised in the standalone statement of profit or loss

	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on right-of-use assets	29	1,149.34	857.91
Impairment of right-of-use assets	30	21.95	30.75
Interest on lease liabilities (included in interest expenses)	28	1,196.38	884.08
Expenses relating to short-term leases	31	72.87	9.39
Rent concession	31	-	(271.49)
Expense relating to variable lease payments not included in the measurement of the lease liability	31	1,111.17	921.00
Net impact on statement of profit and loss		**3,551.71**	**2,431.64**

During the year ended 31 March 2023 and 31 March 2022, consequential to COVID-19 pandemic, the Company has negotiated several rent concessions with the landlords. Further, in view of amendments by the Companies (Indian Accounting Standards) Amendment Rules, 2020, the Company has elected to apply the practical expedient of not assessing the rent concessions originally due on or before 30 June 2021 as a lease modification, as per MCA notification dated 24 July 2020, which has been further extended till 30 June 2022 on Ind AS 116 during the current year, for rent concessions received on account of COVID-19 pandemic.

Accordingly, as per requirements of MCA notifications, out of total rent concessions of INR Nil (31 March 2022: INR 271.49) confirmed till 31 March 2023, INR Nil (31 March 2022: INR 271.49) has been reduced towards rent expenses.

iii. Amounts recognised in the standalone statement of cash flow

	For the year ended 31 March 2023	For the year ended 31 March 2022
Payment of lease liabilities- principal	625.05	259.05
Payment of lease liabilities- interest	1,196.38	884.08
Total cash outflows	**1,821.43**	**1,143.13**

iv. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in Statement of profit and loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

B. Leases where the Company is a lessor

The Company has sub-leased out some of its leased properties primarily in various food courts. All leases are classified as operating leases from a lessor perspective with the exception of certain sub-leases, which the Company has classified as finance subleases.

i. Finance lease (sub leases classified as finance leases)

During the year ended 31 March 2023 and year ended 31 March 2022, the Company has sub-leased a portion of multiple leased properties that have been presented as part of a right-of-use assets.

	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Finance income on net investment in finance leases	24	10.25	10.83
Income relating to variable lease payments not included in the net investment in finance leases	23	8.79	4.06
Finance lease receivables	8	102.80	96.34

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

The maturity analysis of lease receivables, including the undiscounted lease payments to be received are as follows:

Amounts receivable under finance leases:

	As at 31 March 2023	As at 31 March 2022
Less than one year	24.50	21.36
One to five years	98.09	83.31
More than five years	19.71	36.77
Total undiscounted lease payments receivable	**142.30**	**141.44**
Less: Unearned finance income	(39.50)	(45.10)
Net investment in the lease	**102.80**	**96.34**

The incremental borrowings rate range between 9.25% - 11.55% (31 March 2022: 9.25% - 11.55%).

The management of the Company estimates the loss allowance on finance lease receivables at the end of the reporting period at an amount equal to lifetime expected credit loss under simplified approach. None of the finance lease receivables at the end of the reporting period is past due, and taking into account the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables (see note 8), the management of the Company consider that no finance lease receivable is impaired.

The Company entered into finance leasing arrangements as a lessor for certain leased properties under sub leasing arrangements. The term of finance leases entered into is ranging from 2.92 - 18.01 years (31 March 2022: 3.16 - 18.01 years). The Company is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in INR. Residual value risk on such right of use assets under lease is not significant.

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ii. Operating lease (sub leases classified as operating leases)

Operating leases, in which the Company is the lessor, relate to leased properties by the Company with lease terms of between 1 to 9 years.

The unguaranteed residual values do not represent a significant risk for the Company, as they relate to leased properties of lessor under sub leasing contracts which are located in a location with active market for lessees. The Company did not identify any indications that this situation will change.

The following table presents the amounts included in profit or loss.

	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Lease income on operating leases	23	59.53	39.64
Therein lease income relating to variable lease payments that do not depend on an index or rate		23.13	28.51

Amounts receivable under operating leases:

	As at 31 March 2023	As at 31 March 2022
Less than one year	70.38	72.00
One to five years	95.53	140.64
More than five years	9.36	4.42
	175.27	**217.06**

37. OTHER DISCLOSURES IN RELATION TO INVESTMENT PROPERTIES:

i. Information regarding income and expenditure of investment properties

	For the year ended 31 March 2023	For the year ended 31 March 2022
Rental income derived from investment properties	90.54	96.30
Direct operating expenses (including repairs and maintenance) generating rental income	(25.41)	(21.34)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(7.32)	(2.74)
Profit arising from investment properties before interest, depreciation and indirect expenses	**57.81**	**72.22**
Less: finance cost	(33.72)	(19.22)
Less: depreciation	(34.30)	(39.46)
Less: impairment	-	(65.43)
loss arising from investment properties before indirect expenses	**(10.21)**	**(51.89)**

ii. Minimum lease payments receivable under operating leases of investment properties are as follows:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Less than one year	70.38	72.00
One to five years	95.53	140.64
More than five years	9.36	4.42

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for the year ended 31 March 2023

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iii. Fair value

	As at 31 March 2023	As at 31 March 2022
Leasehold Investment Properties *	282.01	244.95
Owned Investment Properties #	178.55	175.45

Estimation of fair value

* The Company's leasehold investment properties consist of right-of-use assets in leased food courts, which has been determined based on the nature, characteristics of leases of each property.

The fair value of investment property has been determined by independent registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The fair value measurement has been categorized as level 3 inputs and has been arrived at using discounted cash flow projections based on reliable estimates of future cash flows considering growth in rental income of 8% to 10% (31 March 2022: 8% to 10% p.a) and discount rate of 14.20% p.a (31 March 2022: 12.09% p.a).

The fair value of owned investment property has been determined by independent registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The fair value measurement has been categorized as level 3 inputs. The fair value has been arrived using market prevailing rates applicable to same location.

Impairment of leasehold investment properties:

In accordance with Ind AS 36 "Impairment of Assets", such investment is considered as a separate cash generating unit (CGU) for the purpose of impairment review. Management periodically assesses whether there is an indication that such investment may be impaired. For investment, where impairment indicators exists, management compares the carrying amount of such investment with its recoverable amount. Recoverable amount is value in use of the investment computed based upon discounted cash flow projections. As on the reporting date for current year, the recoverable amount of this cash generating unit is determined at INR 282.01 (31 March 2022: INR 244.95) through an registered independent valuer, based on the value in use calculation which uses cash flow projections based on the projected business operations. The Company has determined an impairment charge of INR Nil (31 March 2022: 65.43) based on the discount rate of 14.20% p.a (31 March 2022: 12.09% p.a) and rental income growth rate of 8.00% to 10.00% (31 March 2022: 8.00% to 10.00% p.a). An analysis of the sensitivity of the computation to a change in key parameters (rental income and discount rates), based on reasonable assumptions, Management is of the view that there would be no material impact to the impairment charge which has already been recognised in the standalone financial statements of the Company in the previous year. Further, there is significant headroom available between carrying values of leasehold investment properties and its recoverable value as at reporting dates.

38. RELATED PARTY DISCLOSURES

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

(a) Parent and Ultimate Controlling Party:

RJ Corp Limited

(b) Wholly owned subsidiaries:

Devyani International (Nepal) Private Limited

Devyani Food Street Private Limited

Devyani Airport Services (Mumbai) Private Limited (with effect from 13 July 2021)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

(c) Subsidiaries:

RV Enterprizes Pte. Limited

Devyani Airport Services (Mumbai) Private Limited (till 12 July 2021)

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

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

(a) Parent and Ultimate Controlling Party:

RJ Corp Limited

(b) Wholly owned subsidiaries:

Devyani International (Nepal) Private Limited

Devyani Food Street Private Limited

Devyani Airport Services (Mumbai) Private Limited (with effect from 13 July 2021)

(c) Subsidiaries:

RV Enterprizes Pte. Limited

Devyani Airport Services (Mumbai) Private Limited

(d) Key management personnel #:

Mr. Ravi Kant Jaipuria - Director

Mr. Varun Jaipuria - Director

Mr. Raj Pal Gandhi - Director

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

Mr. Manish Dawar- Chief Financial Officer and Whole Time Director

Mr. Rahul Suresh Shinde - Whole time Director (with effect from 2 May 2022)

Mrs. Rashmi Dhariwal- Independent Director

Mr. Ravi Gupta - Independent Director

Mr. Naresh Trehan - Independent Director (with effect from 21 April 2021)

Mr. Girish Kumar Ahuja - Independent Director (with effect from 21 April 2021)

Mr. Pradeep Khushachand Sardana - Independent Director (with effect from 21 April 2021)

Mr. Prashant Purker - Independent Director (with effect from 2 May 2022)

Mr. Varun Kumar Prabhakar - Company Secretary (with effect from 02 May 2022)

Mr. Jatin Mahajan - Company Secretary (with effect from 01 November 2021 to 10 March 2022)

Mr. Anil Dwivedi - Company Secretary (with effect from 7 February 2020 to 13 October 2021)

(e) 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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

Devyani Food Industries Limited

Lineage Healthcare Limited

Modern Montessori International (India) Private Limited

Varun Beverages Limited

Champa Devi Jaipuria Charitable Trust

Mala Jaipuria Foundation

DIL Employee Gratuity Trust

Global Health Patliputra Private Limited

Global Health Limited (converted into Public Limited with effect from 11 August 2021 formerly known as Global Health Private Limited)

Medanta Holdings Private Limited

(f) Relative of Key management personnel

Mrs. Dhara Jaipuria (wife of Mr. Ravi Kant Jaipuria - Director)

As per section 203 of the Companies Act, 2013, definition of Key Managerial Personnel includes Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Company Secretary.

(III) Transactions with related parties during the year ended 31 March 2023 and 31 March 2022

Particulars		For the year ended 31 March 2023	For the year ended 31 March 2022
(i)	**Sale of products (Finished goods)**		
	Devyani Food Street Private Limited	25.77	10.40
	Champa Devi Jaipuria Charitable Trust	56.31	3.95
	RJ Corp Limited	-	0.01
	Devyani Food Industries Limited	59.73	46.02
	Mala Jaipuria Foundation	1.64	-
	Modern Montessori International (India) Private Limited	1.15	-
	Global Health Limited	0.07	0.03
(ii)	**Sale of products (Traded goods)**		
	Devyani Food Street Private Limited	66.99	26.40
	Devyani International (Nepal) Private Limited	36.34	26.98
	Devyani Airport Services (Mumbai) Private Limited	27.48	17.27
	RJ Corp Limited	0.07	2.25
	Varun Beverages Limited	0.87	0.50
(iii)	**Marketing and other services**		
	Lineage Healthcare Limited	0.09	0.09
	RJ Corp Limited	-	2.72
(iv)	**Management fee- income/(reversal)**		
	Devyani International (Nepal) Private Limited	-	(1.11)
(v)	**Sale of property, plant and equipment (PPE)**		
	Devyani International (Nepal) Private Limited	1.49	2.20
	Devyani Airport Services (Mumbai) Private Limited	2.77	0.01
	Devyani Food Street Private Limited	2.57	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

Particulars		For the year ended 31 March 2023	For the year ended 31 March 2022
(vi)	**Purchase of raw materials and other items**		
	Varun Beverages Limited	95.14	59.77
	Devyani Food Industries Limited	6.79	6.64
	RJ Corp Limited	0.09	0.31
(vii)	**Loans given**		
	Devyani Airport Services (Mumbai) Private Limited	-	6.00
(viii)	**Loans repaid**		
	Devyani Food Street Private Limited	45.00	21.50
	Devyani Airport Services (Mumbai) Private Limited	33.00	25.00
(ix)	**Payment to gratuity trust**		
	DIL Employee Gratuity Trust	30.10	29.90
(x)	**Expenses incurred by other company on behalf of the Company**		
	RJ Corp Limited	1.83	-
	Varun Beverages Limited	2.89	4.11
	Devyani Food Street Private Limited	0.80	3.54
	Devyani International (Nepal) Private Limited	-	0.10
	RV Enterprizes Pte. Limited	-	0.46
(xi)	**Expenses incurred on behalf of other company**		
	Devyani Food Street Private Limited	13.95	0.66
	Devyani Airport Services (Mumbai) Private Limited	4.80	4.74
	RJ Corp Limited	2.72	0.07
(xii)	**Rent expense**		
	S V S India Private Limited	0.07	0.06
	Global Health Limited	32.08	25.57
	Medanta Holdings Private Limited	8.57	5.21
	Global Health Patliputra Pvt. Ltd.	2.08	-
(xiii)	**Rent Income**		
	RJ Corp Limited	0.24	0.24
(xiv)	**Dividend income**		
	Devyani International (Nepal) Private Limited	1.25	1.25
(xv)	**Guarantee commission income**		
	Devyani International (Nepal) Private Limited	-	0.45
(xvi)	**Royalty and continuing fee recovered**		
	Devyani Food Street Private Limited	14.70	5.65
	Devyani Airport Services (Mumbai) Private Limited	3.74	1.46
(xvii)	**Professional Fees - Expenses**		
	RJ Corp Limited	-	2.09
(xviii)	**Repair and maintenance - others**		
	Devyani Airport Services (Mumbai) Private Limited	-	0.05
	Varun Beverages Limited	-	2.01
(xix)	**Power and Fuel**		
	Medanta Holdings Private Limited	0.97	0.58

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for the year ended 31 March 2023

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	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(xx)	**Staff welfare Expenses**		
	Global Health Limited	-	0.13
(xxi)	**Interest income**		
	Devyani Airport Services (Mumbai) Private Limited	11.82	17.02
	Devyani Food Street Private Limited	6.12	9.79
	RV Enterprizes Pte. Limited	19.33	9.64
(xxii)	**Waiver of receivables**		
	Devyani Food Street Private Limited	-	102.43
(xxiii)	**Compensation to key managerial personnel#**		
	Short-term employment benefits		
	Mr. Virag Joshi	44.88	39.61
	Mr. Rahul Suresh Shinde	35.08	-
	Mr. Manish Dawar	43.55	37.48
	Mr. Anil Dwivedi	-	1.64
	Mr. Jatin Mahajan	-	1.39
	Mr. Varun Prabhakar	3.57	-
	Post-employment benefits		
	Mr. Virag Joshi	1.73	1.42
	Mr. Rahul Suresh Shinde	0.02	-
	Mr. Manish Dawar	1.80	1.80
	Mr. Anil Dwivedi	-	0.07
	Mr. Jatin Mahajan	-	0.01
	Mr. Varun Prabhakar	0.13	-
	Share based payments		
	Mr. Manish Dawar	20.84	37.02
	Mr. Varun Prabhakar	0.02	-
	Mr. Rahul Suresh Shinde	68.60	-
(xxiv)	**Compensation to relative of key managerial personnel**		
	Mrs. Dhara Jaipuria	-	3.00
	# The above remuneration to Key managerial personnel does not include contribution to gratuity fund and compensated absences, as this contribution is a lump sum amount for all relevant employees based on actuarial valuation.		
(xxv)	**Director's sitting fee***		
	Mr. Ravi Gupta	1.30	2.10
	Mrs. Rashmi Dhariwal	1.20	2.10
	Mr.Girish Ahuja	0.80	1.60
	Mr. Pradeep Khushalchand Sardana	0.40	1.00
	Mr. Prashant Purker	0.40	-
	**Excludes applicable taxes.*		
(xxvi)	**Commission paid to non-executive director**		
	Mr. Ravi Kant Jaipuria	23.44	12.60

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Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(xxvii) Employee stock option scheme expenses recoverable		
Devyani Food Street Private Limited	0.41	0.75
(xxviii) Impairment charge/(reversal) of equity investment in subsidiaries		
Devyani Airport Services (Mumbai) Private Limited	-	(84.84)
Devyani Food Street Private Limited	-	85.89
(xxix) Net gain on investment carried at fair value through profit or loss		
Devyani International (Nepal) Private Limited	0.32	3.28
(xxx) Equity shares allotted (including securities premium)		
Mr. Manish Dawar	-	39.00
Mr. Varun Prabhakar	0.23	-
(xxxi) Investment in preference shares		
RV Enterprizes Pte. Limited	-	3.27
(xxxii) Investment in equity shares		
Devyani International (Nepal) Private Limited	-	51.88

(IV) Balances as at 31 March 2023 and 31 March 2022

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Trade payables/other payable		
Varun Beverages Limited	20.06	0.96
Global Health Limited	-	0.08
Mr. Ravi Kant Jaipuria	23.44	12.60
(ii) Employee stock options outstanding account #		
Mr. Manish Dawar	42.90	37.83
Mr. Rahul Suresh Shinde	68.60	-
# The above denotes value of certain employee stock options granted to key managerial personnel pending vesting/exercise.		
(iii) Trade receivables		
Devyani International (Nepal) Private Limited	-	32.79
Devyani Food Street Private Limited (refer note 50)	3.81	62.23
Devyani Airport Services (Mumbai) Private Limited	33.33	11.12
Champa Devi Jaipuria Charitable Trust	7.55	1.61
Lineage Healthcare Limited	0.01	0.01
Mala Jaipuria Foundation	0.39	-
Devyani Food Industries Limited	2.85	0.97
RJ Corp Limited	2.49	0.06
Global Health Private Limited	0.01	-
Modern Montessori International (India) Private Limited	0.11	-

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Particulars		As at 31 March 2023	As at 31 March 2022
(iv)	**Other financial assets - Other receivables/security deposit**		
	Devyani Food Street Private Limited	0.41	0.75
	Devyani International (Nepal) Private Limited	2.02	2.02
	Global Health Limited	0.50	0.50
	Medanta Holdings Private Limited	0.50	0.50
	Global Health Patliputra Private Limited	0.50	-
(v)	**Loans and advances***		
	Devyani Food Street Private Limited	45.58	96.27
	Devyani Airport Services (Mumbai) Private Limited	126.30	168.65
	RV Enterprizes Pte. Limited	398.93	350.01

** Includes interest accrued on loans to related parties amounting to INR 72.53 (31 March 22: INR 64.30)*

During the years ended 31 March 2023 and 31 March 2022 the Company has provided a letter of support for financial and operational assistance to Devyani Food Street Private Limited, Devyani Airport Services (Mumbai) Private Limited, RV Enterprizes Pte. Limited and Devyani International Nigeria Limited for ongoing operations for atleast 12 months from the reporting dates.

During the previous year ended 31 March 2022, Devyani Airport Services (Mumbai) Private Limited converted its Non-cumulative Redeemable Preference Shares to Compulsorily Convertible Preference Shares ("CCPS") pursuant to provisions of Section 48 of the Companies Act, 2013 as per shareholder's approval in Extra Ordinary General Meeting held on 17 August, 2021. Devyani Airport Services (Mumbai) Private Limited converted its CCPS to equity shares as on 01 October 2021.

(V) Terms and conditions

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

39. CONTINGENT LIABILITIES, COMMITMENTS AND OTHER CLAIMS

(to the extent not provided for)

Contingent liabilities and other claims:

(a) Claims against the Company not acknowledged as debts-:

Particulars			As at 31 March 2023	As at 31 March 2022
(i)	**Claims made by direct and indirect tax authorities:***			
	(i)	Goods and service tax (on account of input credit mismatches)	138.45	138.45
	(ii)	Value added tax	12.40	13.10
	(iii)	Service tax	11.36	11.36
	(iv)	Income tax (on account expense disallowances)	38.56	46.84
			200.77	**209.75**
(ii)	**Others (miscellaneous claims in relation to Company's operations) #**		25.21	17.75

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**Against the total tax demand of INR 200.77 (31 March 2022: INR 209.75) , the Company has filed appeals before various tax authorities. Based on management assessment and upon consideration of advice from the independent legal counsels, the management believes that the Company has reasonable chances of succeeding before the tax authorities and does not foresee any material liability. Pending the final decision on this matter, no adjustment has been made in the standalone financial statements.*

 # The Company is party to various legal proceedings in the normal course of business and does not expect the outcome of these proceedings to have any adverse effect on its financial position and hence no provision has been recorded against these legal proceedings at this stage. Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities. Accordingly, the above mentioned contingent liabilities are disclosed at undiscounted amount.

Also, during the years ended 31 March 2023 and 31 March 2022 the Company has provided a letter of support for financial and operational assistance to Devyani Food Street Private Limited, Devyani Airport Services (Mumbai) Private Limited, RV Enterprizes Pte. Limited and Devyani International Nigeria Limited for ongoing operations for at least 12 months from the reporting dates.

(b) Others

Particulars	As at 31 March 2023	As at 31 March 2022
Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for [(net of advances of INR 98.68 (31 March 2022: INR 278.27)]	1,591.04	1,112.00

Note: Also, the Company has entered Development Agreements with Yum Restaurant (India) Private Limited and Costa International Limited. Based on such agreements, the Company has commitments to open specified number of restaurants under respective agreements from time to time. The amount of such commitments is not quantifiable as of now.

40. EMPLOYEE BENEFITS

A. Defined contribution plans

An amount of INR 201.83 (31 March 2022: INR 126.92) has been recognised as an expense in respect of the Company's contribution to provident and other funds deposited with the relevant authorities and has been charged to the Standalone Statement of Profit and Loss.

B. Defined benefit plans

The Company operates a gratuity plan wherein every employee is entitled to the benefit. Gratuity is payable to all eligible employees (who have completed 5 years or more of service) of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payments of Gratuity Act, 1972. Gratuity liability is partially funded by the Company through annual contribution to DIL Employees Gratuity Trust (the 'Trust') against ascertained gratuity liability. Trustees administer contributions made to the Trust and contributions are invested in a scheme with the Life Insurance Corporation of India as permitted by law of India.

The funding requirements of the plan are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purpose for which assumptions may differ from the assumptions set out in (iii) below. Employees do not contribute to the plan.

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

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

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i. Changes in present value of defined benefit obligation:

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of obligation as at beginning of the year	160.24	146.68
Acquisition adjustment	-	-
Interest cost	7.96	6.45
Current service cost	23.14	21.90
Benefits paid	(23.36)	(13.77)
Actuarial (gain)/loss recognised in other comprehensive income		
- changes in financial assumption	(8.92)	(0.67)
- experience adjustment	10.63	(0.35)
Present value of obligation as at end of the year	**169.69**	**160.24**

ii. Reconciliation of the present value of plan assets :

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	18.13	0.24
Return on plan assets recognised in total other comprehensive income	1.80	0.72
Fund charges	-	(0.08)
Contribution paid into the plan	30.10	29.90
Benefits paid	(22.90)	(12.65)
Balance at the end of the year	**27.13**	**18.13**
Net defined benefit liability	**142.56**	**142.11**

iii. Actuarial Assumptions

A. Economic assumptions

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

Particulars	31 March 2023	31 March 2022
Discounting rate	7.04%	4.97%
Future salary increase	6.00%	6.00%

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B. Demographic assumptions

Particulars	31 March 2023	31 March 2022
i) Retirement age (years)	58	58
ii) Mortality table	IALM (2012 - 14)	IALM (2012 - 14)
iii) Ages	**Withdrawal rate per annum (%)**	**Withdrawal rate per annum (%)**
Up to 30 years (Store employees/Back office employees)	50/43	50/43
From 31 to 44 years (Store employees/Back office employees)	37/25	37/25
Above 44 years (Store employees/Back office employees)	30/21	30/21
iv) Weighted average duration of defined benefit obligation (years)	1.73	1.67

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

iv. (a) Expense recognised in the standalone statement of profit or loss:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Employee benefit expenses:		
(a) Current service cost	23.15	21.90
(b) Interest cost	7.96	6.45
(c) Interest income on plan assets	(0.90)	(0.01)
	30.21	**28.34**

(b) Remeasurements recognised in other comprehensive income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial gain/(loss) on defined benefit obligation	(1.71)	1.02
Actuarial gain/(loss) on plan assets	0.90	0.64
	(0.81)	**1.66**
Expense recognised in the standalone statement of profit and loss	**31.02**	**26.68**

v. Reconciliation of statement of expense in the standalone statement of profit and loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Present value of obligation as at the end of the year	169.69	160.23
Present value of obligation as at the beginning of the year	(160.23)	(146.68)
Benefits paid	23.36	13.77
Actual return on plan assets	(1.80)	(0.64)
Expense recognised in the standalone statement of profit and loss	**31.02**	**26.68**

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vi. Change in fair value of plan assets:

Particulars	As at 31 March 2023	As at 31 March 2022
Opening fair value of plan assets	18.13	0.24
Actual return on plan assets	1.80	0.72
Fund charges	-	(0.08)
Contribution by employer	30.10	29.90
Benefits paid	(22.90)	(12.65)
Fair value of plan assets as at year end	**27.13**	**18.13**

The Company expects to contribute INR 31.81 (31 March 2022: INR 30.00) to gratuity in the next year.

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

Particulars	Less than a year	Between one to two years	Between two to five years	Over five years
31 March 2023	59.21	27.50	46.92	36.06
31 March 2022	52.91	40.64	56.49	32.49

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

Particulars	As at 31 March 2023	As at 31 March 2022
Current liability (amount due within one year)	49.74	46.92
Non-current liability (amount due over one year)	92.82	95.19
	142.56	**142.11**

ix. Sensitivity analysis

A quantitative sensitivity analysis for significant assumptions is as shown below:

Impact of the change in discount rate on defined benefit obligation

Particulars	As at 31 March 2023	As at 31 March 2022
a) Impact due to increase of 1%	(4.10)	(4.10)
b) Impact due to decrease of 1%	4.23	4.17

Impact of the change in salary on defined benefit obligation

Particulars	As at 31 March 2023	As at 31 March 2022
a) Impact due to increase of 1%	4.25	4.14
b) Impact due to decrease of 1%	(4.16)	(4.09)

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

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

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

Risk exposure:

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

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

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

C. Compensated absences

Expense recognised in the standalone statement of profit or loss:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Employee benefit expenses:		
(a) Current service cost	27.56	19.94
(b) Interest cost	4.63	3.89
(c) Net actuarial loss recognized in the year	(4.67)	2.19
	27.52	**26.02**

D. Code of Social Security

The Code on Social Security, 2020 ("the Code") relating to employee benefits during employment and post-employment received Presidential assent in September 2020. Subsequently, the Ministry of Labour and Employment had released the draft rules on the aforementioned Code. However, the same is yet to be notified. The Company will evaluate the impact and make necessary adjustments to the financial statements in the period when the Code will be notified and will come into effect.

41. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM is considered to be the Board of Directors who make strategic decisions and is responsible for allocating resources and assessing the financial performance of the operating segments.

As the Company's business activity primarily falls within a single business and geographical segment, i.e., food and beverages, and in India, thus there are no additional disclosures to be provided under Ind AS 108 – "Operating Segments'. The CODM considers that the various goods and services provided by the Company constitutes single business segment.

Information about geographical area

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
a. Food and beverage segment #		
(i) Domestic	26,647.10	18,505.74
(ii) International	36.34	26.98
b. Other income (refer note 24) @	324.63	163.37
Total	**27,008.07**	**18,696.09**

No single external customer amounts to 10% or more of the Company's revenue.

 # Revenue from food and beverage segment is directly attributed to domestic and international operations.

@ Other income is not allocated as the underlying assets/ liabilities/income are used interchangeably.

Non-current assets other than financial instruments and income tax assets (net)/deferred tax asset (net) primarily comprises property, plant and equipment which are located in India.

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42. SHARE BASED PAYMENTS

a. Description of share based payment arrangements

i. Share Options Schemes (equity settled)

ESOS - 2011

On 20 September 2011 and 20 December 2011, the Board of Directors approved the Employees Stock Option Scheme 2011 ("ESOS 2011"), which was approved by the shareholders on 20 December 2011 and subsequently on 18 May 2012 for increasing the ceiling limit to 49,00,000 Options ("Ceiling Limit") with condition at any given point of time no Grantee shall be granted Options during any one year, equal to or exceeding 1% of the issued capital of the Company except with the specific approval of the members accorded in a general body meeting. As per ESOS 2011, holders of vested Options are entitled to purchase one equity share for every Option at an exercise price of INR 111.70. ESOS 2011 was formulated with the objective to enable the Company to grant Options for equity shares of the Company to certain eligible employees, officers and directors of the Company and its subsidiaries, to purchase shares from the Company at a pre-determined price. A resolution was passed in the meeting of the Board of Directors held on 6 May 2014 wherein certain additional Options were granted at the same terms and conditions as mentioned in ESOS 2011.

Further, ESOS 2011 was amended subsequently and was approved by the shareholders on 17 March 2021. The resolution provides the delinking of vesting schedule of the Options from filing of the red herring prospectus (RHP) by the Company and for aligning the Scheme in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended, read with the SEBI Circular no. CIR/CFD/POLICY CELL/2/2015 dated 16 June 2015 (“SEBI SBEB Regulations”) and accordingly all Options under ESOS 2011 were vested immediately on the day of passing the said resolution and the exercise window for ESOS 2011 was opened by the Nomination and Remuneration Committee on 17 March 2021.

ESOS - 2018

On 6 April 2018, the Board of Directors approved the Employees Stock Option Scheme 2018 ("ESOS 2018"), which was approved by the shareholders on 21 September 2018. ESOS 2018 has been formulated with the same objective as ESOS 2011. ESOS 2018 provides that Options so granted, shall not represent more than 5% of the fully diluted share capital of the Company at any given point of time ("Ceiling Limit") and no Grantee shall be granted Options during any one year, equal to or exceeding 1% of the issued capital of the Company except with the specific approval of the members accorded in a general body meeting. As per ESOS 2018 Grant letters, holders of vested Options are entitled to purchase one equity share for every Option at an exercise price of INR 306.12.

Further ESOS 2018 was subsequently amended and approved by the shareholders on 17 March 2021 for linking the vesting of options to listing date of shares of the Company and to align the Scheme with compliance requirement of SEBI (Share Based Employee Benefits) Regulations, 2014, as amended, read with the SEBI Circular no. CIR/CFD/POLICY CELL/2/2015 dated 16 June 2015 (“SEBI SBEB Regulations”). Under the ESOS 2018, no vesting shall occur until date of listing of shares on recognized Stock Exchanges by the Company in respect of proposed offer.

ESOS - 2021

On 17 March 2021, the Board of Directors approved the Employees Stock Option Scheme 2021 (""ESOS 2021"") in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended, read with the SEBI Circular no. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 (“SEBI SBEB Regulations”), which was approved by the shareholders on 17 March 2021. ESOS 2021 was formulated with the same objective of ESOS 2011 and ESOS 2018.

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ESOS 2021 provides that Options so granted, shall not represent more than 5% of the fully diluted share capital of the Company at any given point of time ("Ceiling Limit") and no Grantee shall be granted Options during any one year, equal to or exceeding 1% of the issued capital of the Company except with the specific approval of the members accorded in a general body meeting by way of a special resolution. As per ESOS 2021 Grant letters, holders of vested Options are entitled to purchase one equity share for every Option at an exercise price of INR 433.28.

Note: The aforementioned schemes have been defined prior to giving effect to stock split from INR 10/- to INR 1/- dated 25 March 2021.

The Options were granted on the dates as mentioned in the table below:

Scheme	Grant Date	Number of Options granted	Exercise Price (INR) (Post Split)	Vesting Condition	Remaining vesting period	Remaining contractual period
ESOS -2011	19 May 2012	2,08,82,000	11.17	Graded vesting over 4 years or after the filling of RHP by the Company for the purpose of IPO, whichever is later.	- *	0 years to 3 years (Previous year: 0 years to 4 years)
ESOS -2018	21 September 2018	50,60,000	30.61	Graded vesting over 4 years or after the filling of RHP by the Company for the purpose of IPO, whichever is later.	- #	- (Previous year: 0.25 years to 5.76 years)
ESOS -2021	17 March 2021	72,00,000	43.33	Graded vesting over 4 years being first vesting due on 17 March 2022	17 March 2024 to 17 March 2025	0 years to 7 years (Previous year: 0 year to 8 years)
ESOS -2021	31 August 2022	21,40,000	159.00	Graded vesting over 4 years being first vesting due on 31 August 2023	31 August 2023 to 31 August 2026	1 year to 9 years
ESOS -2021	09 February 2023	2,50,000	177.00	Graded vesting over 4 years being first vesting due on 09 February 2024	09 February 2024 to 09 February 2027	1 year to 9 years

** As mentioned above, ESOS - 2011 was amended and approved in shareholders meeting dated 17 March 2021. Accordingly, all Options under ESOS 2011 were vested immediately on the day of passing the said resolution.*

 # As mentioned above, ESOS - 2018 was amended and approved in shareholders meeting dated 17 March 2021 for linking the vesting of options to listing date of shares of the Company.

Note - Exercise period in every scheme is maximum five years from the date of vesting of shares.

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b. Measurement of fair values

The fair values are measured based on the Black-Scholes-Merton model. The fair value of the options and inputs used in the measurement of the grant date fair values of the equity -settled share based payments are as follows:

Particulars	Options granted on 09 February 2023	Options granted on 31 August 2022	Options granted on 17 March 2021	Options granted on 21 September 2018	Options granted on 19 May 2012
Fair value per Option at grant date (in INR)	82.46 - 100.65	106.39 - 125.17	18.35 - 23.94	10.53 - 13.30	5.64 - 5.72
Share price at grant date (in INR)	159.95	184.05	43.30	26.90	9.32
Exercise price (in INR)	177.00	159.00	43.33	30.61	11.17
Expected volatility	62.40%-68.60%	59.90%-69.00%	45.60% - 50.50%	35.27% - 35.77%	43.03%
Expected life (in years)	3.50 - 6.50	3.50 - 6.50	3.50 - 6.50	4.75 - 6.75	8.38 - 8.63
Expected dividends	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate	6.91% - 7.02%	6.62% - 6.88%	5.39% - 6.31%	8.06% - 8.11%	8.50% - 8.51%

The risk free interest rates are determined based on current yield to maturity of 10 years Government Bonds with similar residual maturity equal to expected life of the Options. Expected volatility calculation is based on historical daily closing stock prices of competitors using standard deviation of daily change in stock price. The minimum life of the stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which options cannot be exercised. The expected life has been considered based on average of maximum life and minimum life and may not necessarily be indicative of exercise patterns that may occur.

c. Effect of employee stock option schemes on the standalone statement of profit and loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Employee stock option expense*	108.94	64.12
	108.94	**64.12**

**included in Salaries, wages and bonus (refer note 27)*

d. Reconciliation of outstanding share options

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of options	Weighted average exercise price (INR)	Number of options	Weighted average exercise price (INR)
Number of Options granted, exercised and forfeited				
Options outstanding as at the beginning of the year	53,27,500	40.55	85,80,000	40.47
Add: Options granted during the year	23,90,000	160.88	-	-
Less: Options exercised during the year *	7,12,500	38.78	22,12,500	38.93
Less: Options forfeited/ lapsed during the year	1,20,000	43.33	10,40,000	43.33
Options outstanding as at the end of the year	**68,85,000**	**82.45**	**53,27,500**	**40.55**
Options exercisable at the end of the year	13,10,000	34.49	4,52,500.00	17.74
Weighted average share price at exercise date (INR)		145.67		159.80

** INR 14.46 has been received for 342,500 options as share application money for which allotment is pending as on 31 March 2023 (refer note 15).*

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Particulars	As at 31 March 2023	As at 31 March 2022
Weighted average remaining life of options outstanding at the end of year (in years)	5.68	5.58

43. DISCLOSURE PURSUANT TO SECTION 186(4) OF THE COMPANIES ACT, 2013 (ALSO REFER NOTE 7)

Nature of the transaction (loans given/investments made/ guarantees given)	As at 31 March 2023	As at 31 March 2022
(A) Loans and advances *		
Devyani Food Street Private Limited	45.58	96.27
Devyani Airport Services (Mumbai) Private Limited	126.29	168.65
RV Enterprizes Pte. Limited (refer note 48)	398.93	350.01
(B) Investments #		
Investments in equity shares ##		
Devyani Food Street Private Limited	304.68	304.68
Devyani Airport Services (Mumbai) Private Limited (refer note 49)	153.87	153.87
RV Enterprizes Pte. Limited (refer note 48)	108.93	108.93
Devyani International (Nepal) Private Limited	94.07	94.07
Investments in preference shares ##		
RV Enterprizes Pte. Limited (refer note 48)	615.30	615.30
Devyani International (Nepal) Private Limited	25.67	25.06

** refer note 7 for particulars of the loans and advances given.*

 # refer note 6A for full particulars of the investments made.

the above investments are shown at cost as per financial reporting requirements.

Note: *Also, during the years ended 31 March 2023 and 31 March 2022 the Company has provided a letter of support for financial and operational assistance to Devyani Food Street Private Limited, Devyani Airport Services (Mumbai) Private Limited, RV Enterprizes Pte. Limited and Devyani International Nigeria Limited for ongoing operations for at least 12 months from the reporting dates.*

44. CAPITALISATION OF EXPENDITURE INCURRED DURING CONSTRUCTION PERIOD (REFER NOTE 3A & 3B)

The Company has commenced certain quick service restaurants (stores) during the year ended 31 March 2023 and 31 March 2022. Certain directly attributable costs are incurred on commissioning of the quick service restaurants up to the date of commercial operations. These costs have been apportioned to certain property, plant and equipment on reasonable basis. Details of such costs capitalised is as under :-

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Employee benefits expense	151.16	82.56
Other expenses (includes rent, freight and architect fees etc.)	97.13	75.09
	248.29	**157.65**

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45. IMPAIRMENT OF NON-FINANCIAL ASSETS

Non financial assets i.e PPE and other intangible assets (other than goodwill and investment properties)

In accordance with Ind AS 36 "Impairment of Assets", the Company has identified individual quick service restaurant (store) as a separate cash generating unit (CGU) for the purpose of impairment review. Management periodically assesses whether there is an indication that a CGU may be impaired using a benchmark of two-year's history of operating losses or marginal profits for a store. In view of higher operating costs or decline in projected sales growth, certain stores have been impaired in the current and previous years. Based on the results of impairment testing for these stores in the current year, the property, plant and equipment, right-of-use assets and other intangible assets, carrying value of these stores aggregating INR 451.83 (net of opening provision for impairment of INR 53.38) (31 March 2022: INR 542.04 net of opening impairment provision of INR 5.05) have been reduced to the recoverable amount aggregating to INR 368.03 (31 March 2022: INR 409.97) by way of impairment charge of INR 83.80 (31 March 2022: INR132.07). Recoverable amount is value in use of these stores computed based upon projected cash flows from operations with sales growth of 6% (31 March 2022: Nil-5%) and salary growth rate of 6% (31 March 2022: 6%), over balance lease term, discounted at rate (determined by an independent registered valuer) of 14.20% p.a. (31 March 2022: 12.15% p.a.). Carrying value of a store includes property, plant and equipment, intangible assets used at a store, right-of-use assets and allocated corporate assets. Further carrying value and recoverable value of each store is calculated net of lease liabilities.

Moreover, the impairment reversal of INR 89.20 (31 March 2022: INR 140.30) is primarily on account of stores where the actual sales growth rate has exceeded the projected sales growth rate, hence the recoverable amount aggregating to INR 2,940.87 (31 March 2022: INR 1,828.78) has exceeded the written down value of these stores aggregating INR 1,673.00 (after considering impairment charge recorded in previous years amounting to INR 305.27) (31 March 2022: INR 1,356.99 after considering impairment charge recorded in preceding previous year amounting to INR 370.76).

Goodwill on business combination

During the previous years, the Company had acquired 73 stores from Yum Restaurants (India) Private Limited ("Yum") in the States of Karnataka, Andhra Pradesh and Telangana (except in the city of Hyderabad). The Company acquired goodwill of INR 504.57 through business combinations which is attributable to the operational synergies and expansion on market share. In order to further expand its business operations, the Group has opened new stores in these States.

The Company has tested goodwill for impairment on the acquired stores as well as new stores opened in the acquired territories. Management periodically assesses whether there is an indication that such goodwill may be impaired. For goodwill, where impairment indicators exists, management compares the carrying amount of such goodwill with its recoverable amount. As on the reporting date, the recoverable amount of this cash generating unit is determined at INR 1,945.57 (31 March 2022: INR1,704.57). Recoverable amount is value in use of these stores computed based upon projected cash flows from operations with sales growth of Nil-6% (31 March 2022:5%-20%) and salary growth rate of Nil - 6% (31 March 2022: 6%), over balance lease term, discounted at rate (determined by an independent registered valuer) of 14.20% p.a (31 March 2022: 12.15% p.a). As the recoverable amount is in excess of the carrying amount of goodwill, hence no impairment loss has been recorded on the aforesaid goodwill during the year.

The key assumptions have been determined based on management's calculations after considering, past experiences and other available internal information and are consistent with external sources of information to the extent applicable.

For goodwill impairment assessment, management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the said stores, as there is significant headroom between recoverable amount and the carrying amount.

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

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Impairment (reversal)/charge	For the year ended 31 March 2023	For the year ended 31 March 2022
Impairment charge for non financial assets	83.80	132.07
Impairment reversal for non financial assets	(89.20)	(140.30)
Impairment (reversal)/charge	**(5.40)**	**(8.23)**

Sensitivity analysis	For the year ended 31 March 2023	For the year ended 31 March 2022
Discount Rate		
(Increase by 1%)	2.69	3.34
(Decrease by 1%)	(3.81)	(3.43)
Sales Growth Rate		
(Increase by 1%)	(12.91)	(15.86)
(Decrease by 1%)	9.60	16.84
Salary Growth Rate		
(Increase by 1%)	2.17	5.37
(Decrease by 1%)	(2.14)	(5.41)

46. TRANSFER PRICING

The Company has established a comprehensive system of maintenance of information and documents that are required by the transfer pricing legislation under Section 92-92F of the Income tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by due date as required under the law. The management is of the opinion that its transactions with the associated enterprises are at arm's length so that the aforesaid legislation will not have any impact on the standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

47. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, all other equity reserves attributable to the equity holders of the Company and combination of both long-term and short-term borrowings. The Company's objective for capital management is to maximize shareholder's value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plan and other strategic investment plans. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company's funding requirements are met through equity infusions, internal accruals and a combination of both long-term and short-term borrowings. The Company raises long term loans mostly for its expansion requirements and based on the working capital requirement utilise the working capital facilities. The Company monitors capital on the basis of consolidated total debt to consolidated total equity on a periodic basis. As a part of its capital management policy the Company ensures compliance with all covenants and other capital requirements related to its contractual obligations. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2023 and 31 March 2022.

Particulars	As at 31 March 2023	As at 31 March 2022
Borrowings (non-current and current)	-	609.28
Total debt (a)	**-**	**609.28**
Equity share capital	1,204.96	1,204.74
Other equity	10,317.09	7,726.51
Total equity (b)	**11,522.05**	**8,931.25**
Debt equity ratio (c=a/b)	Not applicable	0.07

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48. ASSESSMENT OF INVESTMENT IN AND LOANS TO SUBSIDIARY COMPANY

The Company holds 87.00% (31 March 2022: 87.00%) of equity share capital and 76.00% (31 March 2022: 76.00%) preference share capital of RV Enterprizes Pte. Limited (hereinafter referred to as "RVE"). The carrying value of investments (equity and preference shares) as at the year end is INR 724.23 (31 March 2022: INR 724.23). The carrying value of the loans to RVE, including interest accrued thereon is INR 398.93 (31 March 2022: INR 350.01). RVE is a special purpose vehicle, which has invested the funds in Devyani International (Nigeria) Limited (a step down subsidiary) through investment in shares and grant of loans USD 3.75 million (31 March 2022: USD 2.92 million) and USD 16.56 (31 March 2022: USD 17.26 million), respectively.

During the current year, the step down subsidiary has generated (loss)/profit of INR (37.56) (31 March 2022: INR 3.36). As at 31 March 2023, RVE has not impaired the loan amounting to USD 16.56 million outstanding as at 31 March 2023 (31 March 2022: USD 17.26 million). Further, no impairment loss of property, plant and equipment has been recorded in the books of the step down subsidiary.

The management of the Company, based on cash flow projections of the step down subsidiary has concluded that there is no need to recognise any impairment loss on the investment made in and loan given (including interest accrued thereon) to RVE amounting to INR 724.23 (31 March 2022: INR 724.23) and INR 398.93 (31 March 2022: INR 350.01), respectively.

Key assumptions used in the calculating the recoverable value of the step down subsidiary:

- discount rates 28.60% (31 March 2022: 22.00%)

- terminal growth rate 3.00% (31 March 2022: 3.00%)

Further more, the recoverable value of investments (after adjusting loans) in RVE (derived based on the recoverable value of the step down subsidiary) was INR 1,234.56 (31 March 2022: INR 1,725.15).

The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the investments, as there is significant headroom available between recoverable amount and the carrying amount of investments.

49. INVESTMENT IN DEVYANI AIRPORT SERVICES (MUMBAI) PRIVATE LIMITED, A SUBSIDIARY ("DASMPL")

During the previous year ended 31 March 2022, pursuant to Deed of Settlement and Share Transfer Agreement dated 12 July 2021 executed between the Company, its subsidiary DASMPL and non-controlling shareholder High Street Food Services Private Limited, the Company has purchased 2,940,000 Equity Shares of face value of INR 10/- each and 11,316,693 8% Non-cumulative Redeemable Preference Shares ("NCRPS") for consideration of INR 69.04 (including INR 0.74 towards purchase of equity shares) from non-controlling shareholder. Pursuant to the acquisition, DASMPL became a wholly owned subsidiary of the Company. DASMPL converted its NCRPS to Compulsorily Convertible Preference Shares ("CCPS") pursuant to provisions of Section 48 of the Companies Act, 2013 as per shareholder's approval in Extra Ordinary General Meeting held on 17 August, 2021. DASMPL converted its CCPS to equity shares as on 01 October 2021.

As at 31 March 2023, the Company has investment in equity shares of DASMPL amounting to INR 153.87 (31 March 2022: INR 153.87), accounted for at cost under Ind AS 27. In accordance with Ind AS 36 "Impairment of Assets", such investment is considered as a separate cash generating unit (CGU) for the purpose of impairment review. Management periodically assesses whether there is an indication that such investment may be impaired. For investment, where impairment indicators exists, management compares the carrying amount of such investment with its recoverable amount. Recoverable amount is value in use of the investment computed based upon discounted cash flow projections.

During the year ended 31 March 2022, the Company has determined impairment reversal of INR 84.84 based on the discount rate of 18.78% and sales growth rate of 17%. Such impairment reversal has been disclosed under "Exceptional

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

items" in the Standalone Statement of Profit and Loss (refer note 32).An analysis of the sensitivity of the computation to a change in key parameters (sales growth and discount rates), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

During the current year, the business performance of the subsidiary has improved substantially and the Company has witnessed significant uptake in the operations of the subsidiary, basis which the management believes that there are no internal or external indicators which can trigger impairment assessment as per Ind AS 36, 'Impairment of Assets', as at 31 March 2023.

50. INVESTMENT IN DEVYANI FOOD STREET PRIVATE LIMITED, A SUBSIDIARY ("DFSPL")

As at 31 March 2023, the Company has investment in equity shares of Devyani Food Street Private Limited (a subsidiary company) amounting to INR 175.92 (31 March 2022: INR 175.92), and additional deemed equity of INR 128.76 (31 March 2022: INR 128.76) accounted for under Ind AS 27. In accordance with Ind AS 36 "Impairment of Assets", such investment is considered as a separate cash generating unit (CGU) for the purpose of impairment review. Management periodically assesses whether there is an indication that such investment may be impaired. For investment, where impairment indicators exists, management compares the carrying amount of such investment with its recoverable amount. Recoverable amount is value in use of the investment computed based upon discounted cash flow projections.

During the previous year ended 31 March 2022, the recoverable amount of this cash generating unit was determined at INR 192.34, through an independent valuer, based on the value in use calculation which uses cash flow projections based on the projected profitability till the end of the contract period. The Company has determined impairment loss of INR 85.89 based on the discount rate of 18.5% and sales growth rate 30% - 109% and was of the view that there would be no material increase to the impairment charge which would impact the decision of the user of the financial statements. Such impairment charge had been disclosed under "Exceptional items" in the Standalone Statement of Profit and Loss (refer note 32). The Company had performed sensitivity analysis of impairment test to changes in the key assumptions used to determine the occurrence of impairment loss, if any, as if there was an increase in the discount rate by 0.50%, keeping the other variable constant, the impairment loss would have increased by INR INR 1.53.

During the current year, the business performance of the subsidiary has improved substantially and the Company has witnessed significant uptake in the operations of the subsidiary, basis which the management believes that there are no internal or external indicators which can trigger impairment assessment as per Ind AS 36, 'Impairment of Assets', as at 31 March 2023.

51. The Board of Directors of the Company ("Board") at its meeting dated 13 December 2021, had approved the Scheme of Amalgamation (the 'Scheme') for amalgamation of Devyani Food Street Private Limited and Devyani Airport Services (Mumbai) Private Limited (both are wholly owned subsidiary companies) with the Company. The Scheme was filed with the Hon'ble National Company Law Tribunal, New Delhi (NCLT) on 17 September 2022, and the NCLT had approved the first motion application on 11 November 2022. The equity shareholders and unsecured creditors of the Company at their respective meetings held on December 29, 2022, had approved the Scheme with requisite majority. Subsequently, the Company has filed second motion petition with NCLT and the Scheme is pending for final approval.

52. INITIAL PUBLIC OFFERING (IPO)

During the year ended 31 March 2022, the Company had completed its Initial Public Offer ("IPO") of 204,222,218 Equity Shares of Face Value of INR 1/- each ("equity shares") for a price of INR 90/- per Equity Share (including a share premium of INR 89/- per Equity Share) aggregating to INR 18,380 comprising a fresh issue of 48,888,888 Equity Shares for INR 4,400 (the "fresh issue") and an Offer for Sale of 155,333,330 Equity Shares for INR 13,980. The Equity Shares of the Company got listed with BSE Limited and National Stock Exchange of India Limited on 16 August 2021.

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

The utilisation of the fresh issue proceeds is summarised below:

Objects of the issue as per prospectus	Utilization planned as per prospectus	Total utilized upto 31 March 2022*	Amount pending for utilization as at 31 March 2022
Payment of share issue expenses	151.81	158.40	-
Repayment/prepayment of borrowings	3,240.00	3,419.70	-
General corporate purposes	1,008.19	821.90	-
Total	**4,400.00**	**4,400.00**	**-**

** Excess utilization towards offer related expenses and borrowings repayments has been adjusted with general corporate purposes of the fresh issue.*

The Company had incurred expenses of INR 158.40 during the year ended 31 March 2022 in connection with public offer of equity shares. Out of this, INR 146.29 have been adjusted against securities premium as permissible under section 52 of the Companies Act, 2013 on successful completion of Initial Public Offer (IPO) and listing expenses of INR 12.10 have been shown as IPO expenses under exceptional items (refer note 32).

53. During the year ended 31 March 2022, the Company had paid remuneration to a whole-time director of INR 138.70, which was in excess of the limits laid down under the provisions of the section 197 read with Schedule V of the Companies Act, 2013 by INR 75.73 which had also resulted in exceeding the overall limit of remuneration payable by the Company to its directors by INR 53.79. Such remuneration exceeded by virtue of exercise of employee stock options. The Company had obtained approval from the Nomination and Remuneration Committee of the Company for the excess managerial remuneration paid and had obtained approval from its shareholders at the Annual General Meeting (AGM) held on 28 June 2022 by way of a special resolution as per the provisions of section 197 and Schedule V to the Act during the current year.

54. During the year ended 31 March 2022, the Company has signed amendment to Development Agreements with Yum Restaurant (India) Private Limited (franchiser) with revised store opening targets and terms, accordingly franchiser has agreed to give certain incentives to the Company in the form of initial fee waiver and certain other operational incentives. The Company has achieved the targets in both current and previous years for both KFC and PH brands and received incentives as per the aforesaid Development Agreement, which have been accounted as per Ind AS in the standalone financial statements.

55. FINANCIAL RATIOS

Ratio	Measurement unit	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	Change	Remarks
				Ratio	Ratio		
Current ratio	Times	Current assets	Current liabilities	0.61	0.95	-36.33%	Refer note A below
Debt-equity ratio	Times	Total debt [Non-current borrowings + Current borrowings]	Total equity	-	0.07	100.00%	Refer note B below
Debt service coverage ratio	Times	Earnings available for debt service [Profit after tax + Depreciation and amortisation+impairment +finance cost+ loss on sale of property, plant and equipment]	Debt service (Interest and lease payments+ principal repayments)	2.48	0.90	175.39%	Refer note A and B below

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Ratio	Measurement unit	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	Change	Remarks
				Ratio	Ratio		
Return on equity ratio	Percentage	Net profit after tax	Average shareholder's equity [(opening shareholder's equity + closing shareholder's equity) /2]	24.06%	25.73%	1.67%	Not Applicable
Inventory turnover ratio	Times	Costs of materials consumed+Purchases of stock-in-trade	Average inventories [(opening inventories + closing inventories) /2]	8.64	8.39	2.98%	Not Applicable
Trade receivables turnover ratio	Times	Revenue from operations	Average trade receivables [(opening trade receivables +closing trade receivables)/2]	89.02	53.45	66.56%	Refer note A below
Trade payables turnover ratio	Times	Purchases + other expenses (excluding non cash expenses)	Average trade payables [(opening trade payables +closing trade payables)/2]	10.33	8.87	16.47%	Not Applicable
Net capital turnover ratio	Times	Revenue from operations	Working capital [Current assets - Current liabilities]	-14.97	-116.65	-87.16%	Refer note A below
Net profit ratio	Percentage	Net profit after tax	Revenue from operations	9.22%	8.28%	0.94%	Not Applicable
Return on capital employed	Percentage	Earnings before interest and taxes (excluding interest on lease liabilities)	Net worth + Total debt - Deferred tax asset	20.54%	14.21%	6.33%	Not Applicable
Return on investment	Percentage	Interest income on bank deposits	Current and non-current bank deposits	12.08%	2.63%	12.08%	Not Applicable

Note:

A. *The Company is in QSR segment and the changes in various ratios are primarily attributable to expansion in business operations during the year ended 31 March 2023 as compared to previous year.*

B. *The Company repaid the term loans during the year ended 31 March 2023 which is leading to such changes.*

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

56. ADDITIONAL REGULATORY INFORMATION NOT DISCLOSED ELSEWHERE IN THE FINANCIAL INFORMATION

a) The Company does not have any Benami property and no proceedings have been initiated or pending against the Company for holding any Benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.

b) The Company does not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956, except for the parties mentioned below:

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at 31 March 2023	Relationship with the struck off company	Balance outstanding as at 31 March 2022	Relationship with the struck off company
Ranjoli Textile Private Limited	Trade payables	-	Not Applicable	0.26	Not Applicable
Ranjoli Textile Private Limited	Security deposits receivables	-	Not Applicable	0.66	Not Applicable
Radical Infraone Private Limited	Capital creditors	0.20	Not Applicable	0.20	Not Applicable
Sakha Services Private Limited	Capital creditors	0.01	Not Applicable	0.01	Not Applicable
Naman Buildcon Limited	Trade receivables	3.57	Not Applicable	-	Not Applicable

c) The Company does not have any charge which is yet to be registered with ROC beyond the statutory period. The Company had obtained loans from banks in earlier years which have been fully repaid. However pending NOCs from banks, the satisfaction of charges is yet to be registered with ROC in some of the cases.

d) The Company has not traded or invested in Crypto currency or Virtual Currency during the current and previous financial year.

e) The Company has not advanced or provided loan to or invested funds in any entity(ies) including foreign entities (Intermediaries) or to any other person(s), with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

f) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(g) The Company has not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(h) The Company has not been declared a 'Wilful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(i) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

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for the year ended 31 March 2023

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

57. The Company has generally been regular in depositing provident fund dues for employees on time, except in few cases due to Aadhaar Card demographic mismatches. The Company has already initiated the necessary steps to minimise such mismatches in future.

58. The previous year numbers have been regrouped/ reclassified wherever necessary to conform to current year presentation. The impact of such reclassification/regrouping is not material.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sandeep Mehta
Partner
Membership no.: 099410

For **O P Bagla & Co LLP**
Chartered Accountants
Firm's Registration No.: 000018N/N500091

Neeraj Kumar Agarwal
Partner
Membership No.: 094155

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

Virag Joshi
Whole-time Director and CEO
DIN: 01821240

Raj Pal Gandhi
Director
DIN: 00003649

Manish Dawar
Whole-time Director and CFO
DIN: 00319476

Varun Kumar Prabhakar
Company Secretary
Membership No.: A30496

Place : Gurugram
Dated : May 17, 2023