Crowe

Devyani International Nepal Pvt. Ltd.

Auditor's Report & Financial Statements for the year ended March 31, 2024

B.K. Agrawal & Co.
Kathmandu, Nepal | Member Crowe Global

Audit / Tax / Advisory

B.K. AGRAWAL & CO.
CHARTERED ACCOUNTANTS
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Independent Auditors' Report to the Directors of Devyani International Nepal Private Limited

Opinion

We have audited, the accompanying Special Purpose Financial Statements (SPFS) of M/s Devyani International Nepal Private Limited (hereinafter referred to as 'the Company') which comprise the Statement of Financial Position as at March 31, 2024, and the Statement of Profit or Loss, Statement of Changes In Equity, Other Comprehensive Income and statement of Cash flows attached thereto, for the year then ended and notes to the financial statements, including a summary of Significant Accounting Policies and other Explanatory Notes & information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid SPFS read together with Notes forming part of the SPFS give the information required by the provisions of Nepal Companies Act, 2006, as amended ("the Act") in the manner so required and, give a true and fair view in conformity with the Nepal Financial Reporting Standards, of the state of affairs of the Company as at March 31, 2024, its profit/loss, other comprehensive income, its cash flows and the changes in equity for the period ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Nepal Standards on Auditing (NSA). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Entity in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of Nepal together with the ethical requirements that are relevant to our audit of the *Financial Statements* under the provisions of the Companies Act, 2006 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with those 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.

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

The company's Management and Board of Directors are responsible for the preparation and fair presentation of these financial statements in accordance with Nepal Financial Reporting Standards. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Entity 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 the design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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B.K. AGRAWAL & CO. Kathmandu Chartered Accountants

In preparing the financial statement, the respective management and Board of Directors are responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibility for the Audit of the Special Purpose Financial Statements

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Nepal 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial information.

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

- Identify and assess the risks of material misstatement of SPFS, 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. We are also responsible for expressing our opinion on whether the Company has adequate internal financial controls in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the SPFS, including the disclosures, and whether the SPFS represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

contd...

B.K. AGRAWAL & CO. Kathmandu Chartered Accountants

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion. Further we report that:

Report on Other Legal and Regulatory Requirements

a. We have obtained information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books;

c. In our opinion, the Statement of Financial Position, Statement of Profit or Loss, Other Comprehensive Income, Statement of Changes in Equity and statement of Cash flows attached thereto, for the year then ended and notes to the financial statements, including a summary of Significant Accounting Policies and other Explanatory Notes & information dealt with by this report are in compliance with the provisions of the Company Act, 2006 and are in agreement with the books of account maintained by the company;

d. In our opinion, so far as appeared from our examination of the books, the business of the Company has been conducted satisfactorily; and

e. To the best of our information and according to the explanations given to us and from our examination of the books of accounts of the Company necessary for the purposes of the audit, we have not come across cases where the Board of Directors or any employees of the Company have acted contrary to legal provisions relating to accounts, or committed any misappropriation or caused loss or damage to the company.

Limitation of Use

This report is issued by us, pursuance to specific request made by the Company, in regard to the consolidation of the company's financial statements with the Parent Company M/s Devyani International Ltd, India. Therefore, this report should be used for the above specific purpose only and not for any other purpose without our prior concurrence.

P.K. Swarnkar

P.K. Swarnkar, FCA
Partner
For: B.K. Agrawal & Co.
Chartered Accountants
UDIN: 240423CA00103qGmZ2

Kathmandu
Date: 23rd April, 2024

B.K. AGRAWAL & CO.
Kathmandu
Chartered Accountants *

Devyani International Nepal Private Limited
Statement of Financial Position
As on March 31, 2024

Particulars	Notes	As on March 31, 2024 NRS	As on March 31, 2023 NRS
ASSETS			
Non-Current Assets:			
Property, Plant & Equipment	3	340,090,133	306,411,152
Right-of-use assets	4	505,721,187	482,329,436
Intangible Assets	5	22,198,488	27,831,648
Capital work-in-progress	6	19,762,313	19,285,517
Other Non-Current Assets:			
Prepayments, Advances & Deposits	7	12,878,729	11,100,238
Other Non Financial Assets	8	24,105,987	17,399,389
Deferred Tax Assets	9	27,163,675	22,715,962
		951,920,512	**887,073,342**
Current Assets:			
Prepayments, Advances & Deposit	7	10,439,122	12,636,979
Other Non Financial Assets	8	22,912,602	12,582,574
Other Receivables	10	14,249,557	12,069,428
Cash & Cash Equivalents	11	103,977,586	97,477,563
Inventories	12	36,761,890	42,186,347
		188,340,757	**176,952,891**
Total Assets		**1,140,261,269**	**1,064,026,233**
EQUITY AND LIABILITIES			
Capital & Reserve:			
Share Capital	13	214,008,600	169,637,500
Other Equity	14	161,220,819	150,168,130
Total equity		**375,229,419**	**319,805,630**
Non Current Liabilities:			
Preference Share Capital	15	38,473,323	37,495,396
Lease Liabilities	17	581,136,871	543,091,010
Other Financial Liabilities.	18	4,457,393	3,603,324
		624,067,587	**584,189,730**
Current Liabilities:			
Loans & Borrowing	16	-	-
Lease Liabilities	17	40,061,500	32,058,894
Other Financial Liabilities	18	35,968,948	78,146,407
Trade Payables	19	64,933,815	49,825,572
		140,964,263	**160,030,873**
Total Liabilities		**765,031,850**	**744,220,603**
Total Equity & Liabilities		**1,140,261,269**	**1,064,026,233**

The accompanying notes forms an integral part of the financial statements.

For & on behalf of the Board of Directors

Ritu Raj Shah
Deputy General Manager

Vijay Sharma
Director

Sanjeev Arora
Director

As per our attached report of even date

P.K. Swarnkar, FCA
Partner
B.K. Agrawal & Co.
Chartered Accountants

Kathmandu
Date: 23rd April, 2024

Devyani International Nepal Pvt. Ltd. Kathmandu Nepal

B.K. Agrawal & Co. Kathmandu Chartered Accountants

Devyani International Nepal Private Limited
Statement of Profit Or Loss
For the year ended March 31, 2024

Particulars	Notes	Year ended March 31, 2024 NRS	Year ended March 31, 2023 NRS
Revenue from operations	20	1,016,503,276	950,409,670
Other operating Revenue	21	-	22,423,245
Revenue		**1,016,503,276**	**972,832,915**
Cost of Material Consumed	22	(343,934,110)	(333,038,477)
Operating Expenses	23	(103,295,118)	(69,974,891)
Employee Benefits Expenses	24	(195,826,231)	(148,918,467)
Administrative Expenses	25	(101,020,622)	(95,027,758)
Depreciation and Amortization Expenses	26	(109,091,383)	(99,071,849)
Operating Profit		**163,335,812**	**226,801,473**
Finance Costs	27	(63,469,698)	(61,875,670)
Finance Income	28	6,187,355	3,483,304
Other Income	29	3,132,624	2,522,141
Profit Before Tax		**109,186,093**	**170,931,248**
Tax Expenses	30	(28,362,634)	(41,120,108)
Profit after tax for the year		**80,823,459**	**129,811,140**

The accompanying notes forms an integral part of the financial statements.

For & on behalf of the Board of Directors

Ritu Raj Shah
Deputy General Manager

Vijay Sharma
Director

Sanjeev Arora
Director

As per our attached report
of even date

P.K. Swarnkar, FCA
Partner
B.K. Agrawal & Co.
Chartered Accountants

Kathmandu
Date: 23rd April, 2024

Devyani International Nepal Pvt. Ltd. Kathmandu Nepal

B.K. Agrawal & Co. Kathmandu Chartered Accountants

Devyani International Nepal Private Limited
Statement of Comprehensive Income
For the year ended March 31, 2024

Particulars	Year ended March 31, 2024 NRS	Year ended March 31, 2023 NRS
Profit for the year	80,823,459	129,811,140
Other comprehensive income		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):	-	-
Exchange differences on translation of foreign Currency	-	-
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	-	-
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):		
Remeasurement gain/(loss) on defined benefit plans		-
Revaluation of Property Plant & Equipments		-
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	-	-
Other comprehensive income/(loss) for the year, net of tax	-	-
Total comprehensive income for the year, net of tax	**80,823,459**	**129,811,140**

For & on behalf of the Board of Directors

Ritu Raj Shah
Deputy General Manager

Vijay Sharma
Director

Sanjeev Arora
Director

Kathmandu
Date: 23rd April, 2024

As per our attached report of even date

P.K. Swarnkar, FCA
Partner
B.K. Agrawal & Co.
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Devyani International Nepal Pvt. Ltd. Kathmandu Nepal

B.K. Agrawal & Co. Kathmandu Chartered Accountants

Devyani International Nepal Private Limited
Statement of Cash Flows
For the year ended March 31, 2024

Particulars	Year ended March 31, 2024 NRS	Year ended March 31, 2023 NRS
A. Operating Activities:		
Profit after taxation	80,823,459	129,811,140
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation & Amortization	109,091,383	99,071,849
Gain in Sale of Fixed Assets	(12,961)	-
Finance Income	(5,347,200)	(2,843,540)
Interest on financial liabilities measured at amortised cost	977,927	946,612
Interest on lease liabilities	58,120,366	55,650,947
Interest income from financial assets at amortized cost	(840,155)	(639,764)
Deferred Tax	(4,447,713)	(4,852,660)
Working capital changes:		
Decrease/(Increase) in inventories	5,424,457	(9,885,890)
Decrease/(Increase) in trade receivables, contract assets and prepayments	(18,797,390)	(12,853,551)
Increase/(Decrease) in trade and other payables, contract liabilities and refund liabilities	(26,215,147)	(86,201,921)
Income tax paid	(1,529,481)	(17,906,471)
Net Cash flows from operating activities	**197,247,545**	**150,296,751**
B. Investing Activities:		
Purchase of property, plant and equipment	(80,296,824)	(68,351,881)
Sales of Fixed Assets	13,269	-
Sales of Intangible Assets	-	1,601,640
Purchase of Intangible Assets	(230,000)	(150,000)
(Increase)/Decrese in Capital Work in Progress	(476,796)	(10,855,467)
Net cash (used in) from investing activities	**(80,990,351)**	**(77,755,708)**
C. Financing Activities:		
Cash Dividend	(23,870,190)	-
Payment of principal portion of lease liabilities	(89,981,733)	(80,145,294)
Interest paid on loans and borrowings	(1,252,448)	(2,980,198)
Interest Received on term deposits & call account	5,347,200	2,843,540
Net cash (used in) from financing activities	**(109,757,171)**	**(80,281,952)**
Net increase in cash & cash equivalents	6,500,023	(7,740,909)
Cash & cash equivalent at the beginning of the year	97,477,563	105,218,472
Cash & cash equivalent at the end of the Year	**103,977,586**	**97,477,563**

For & on behalf of the Board of Directors

As per our attached report of even date

Ritu Raj Shah
Deputy General Manager

Vijay Sharma
Director

Sanjeev Arora
Director

P.K. Swarnkar, FCA
Partner
B.K. Agrawal & Co.
Chartered Accountants

Kathmandu
Date: 23rd April, 2024

Devyani International Nepal Private Limited
Statement of changes in equity
For the year ended March 31, 2024

Particulars	**Equity Share Capital NRS**	**Retained Earnings NRS**	**Total NRS**
Balance as at April 01, 2023	169,637,500	146,391,961	316,029,461
Profit for the year 2023-24	-	80,823,459	80,823,459
Prior Year Tax Adjustment	-	(1,529,481)	(1,529,481)
Adjustment of NFRS 9, Financial Assets and Liability Measured at Amortised Cost	-	3,776,170	3,776,170
Dividend to equity holders	-	(23,870,190)	(23,870,190)
Share issued	-	-	-
Bonus Share issued to Equity Shareholders	44,371,100	(44,371,100)	-
Balance As at March 31, 2024	**214,008,600**	**161,220,819**	**375,229,419**

For & on behalf of the Board of Directors

Ritu Raj Shah
Deputy General Manager

Vijay Sharma
Director

Sanjeev Arora
Director

As per our attached report of even date

P.K. Swarnkar, FCA
Partner
B.K. Agrawal & Co.
Chartered Accountants

Kathmandu
Date: 23rd April, 2024

1 Corporate Overview:

Devyani International Nepal Private Limited (The "Company") is incorporated under Companies Act of Nepal vide registration No. 54313/064/065 on 18th of Ashad 2065 (July 02, 2008) having its registered Office at Durbarmarg Ward No. 01, Kathmandu, Nepal and Branch Office at Durbarmarg, Boudha, Maharajganj, Labim Mall Lalitpur, Bhaktapur, Pokhara, Bharatpur, Kalanki, Naxal, Itahari, Nepalgunj, Eyeplex, Hetauda, Butwal and KTM Mall. The main objectives of the Company is to open restaurants to sell Pizza Products, KFC Products, Beverages etc.

1.1 Financial Statement:

The Financial Statement of Devyani International Nepal Pvt. Ltd. for the period from April 1, 2023 to March 31, 2024 comprises Statement of Financial Position, Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Notes to the Financial Statements, Significant Accounting Policies of the Company as per Nepal Financial Reporting Standards.

2 Significant Accounting Policies:

2.1 Basis of Preparation:

2.1.1 Statement of Compliance:

The financial statements have been prepared in accordance with the Nepal Financial Reporting Standards (NFRS) issued by the Accounting Standards Board Nepal. These confirm, in material respect, to International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB). The financial statements have been prepared on a going concern basis. These financial statements for the year ended March 31, 2024 are the time that was prepared in accordance with NFRS as applicability requirement under public accountability due to Holding Company by Multinational Company and Holding the Franchisee of International Brands KFC And Pizzahut.

2.1.2 Reporting period and approval of financial statements:

The Company has, for the preparation of financial statements, adopted the NFRS pronounced by ASB . The approval of financial statements accompanied notes to the financial statements have been adopted by the Board of Directors in it's meeting and the Board acknowledges the responsibility of preparation of financial statements of the Bank. The approved financial statements have been recommended for approval by the shareholders in the annual general meeting of the Company.

2.1.3 Basis of Measurement:

The Financial Statements of the company have been prepared on the historical cost basis, except for the following material items in the Statement of Financial Position:

· Financial assets at fair value through other comprehensive income (quoted investments) are measured at fair value.

· Non-Current Assets classified as Held for Sale - measured at the lower of the carrying amounts and fair value less cost to sell;

2.1.4 Comparative Information

The Financial Statements provide information in respect of the previous period. In addition, the company presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or reclassification of the items in financial statements.

2.1.5 Going Concern:

The Financial Statements are prepared on the assumption that the company is a going concern.

2.1.6 Functional & Presentational Currency:

The Financial Statements are presented in in Nepalese Rupee (NPR) which is the Company's functional currency and the currency of the primary economic environment in which the company operates. There was no change in presentation and functional currency during the year under review.

Devyani International Nepal Pvt. Ltd. Kathmandu Nepal

B. K. AGRAWAL & CO. Kathmandu Chartered Accountants

Notes contd...

2.1.7 Current versus non-current classification

The company presents assets and liabilities in the financial statement based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- Expected to be settled in normal operating cycle;
- Held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.1.8 Fair value measurement:

The Company measures financial instruments, such as, derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between marked 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 principle market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market 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 financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing 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.

Devyani International Nepal Pvt. Ltd. Kathmandu Nepal

B.K. Agrawal & Co. Kathmandu Chartered Accountants

Notes contd...

2.2 Property, Plant & Equipment:

a) Land is stated at the original cost of acquisition and at revalued amount where ever it has been revalued.

b) Property, plant and equipment are initially measured at cost in the statement of financial position. These are inclusive of all cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if applicable for each class of assets. Property, plant and equipment are recognized as an asset, if and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

c) Cost includes the purchase price and other directly attributable costs of property, plant and equipment. Cost also includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Assessment of indication of impairment of an asset is made at the year end and impairment loss, if any, recognized except land. Land is stated at cost inclusive of land development expenses.

d) Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied.

e) An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit or Loss.

f) **Capital Work-In-Progress:**

The expenditure incurred in acquisition and installation of new systems and equipment till the date of commissioning or civil works under construction till the date of completion is recognized as Capital works-in-progress. Equipment are capitalized upon commissioning and civil works are capitalized upon handing over after being capable of being used. Tangible assets not ready for the intended use on the date of financial statement are disclosed as "Capital Work-In-Progress". Capital work-in-progress includes assets under construction/installations.

g) **Revaluation:**

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognized in profit or loss, the increase is recognized in profit and loss. A revaluation deficit is recognized in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation surplus.

Fixed assets are not revalued during the year.

h) **Depreciation and Amortization:**

Freehold land is not depreciated. Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write-off their depreciable amount over the expected useful economic lives.

Depreciation and Amortization is calculated over the estimated useful life of the assets: An item of property, Plant and Equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

Devyani International Nepal Pvt. Ltd. Kathmandu Nepal

P.K. Agrawal & Co. Kathmandu Chartered Accountants

The company based its assumptions and estimations on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Estimated Useful life and depreciation rates of assets have been taken as under

Types of Assets	Useful Life of New Assets Acquired After Transition Date
	Rate of Depreciation
Tangible Assets:	
Office Equipments	10.00%
Furniture & Fixtures	16.67%
Computer	16.67%
Vehicle	20.00%
Plant & Machinery	8.33%
Electrical Equipment	10.00%
Smallware	10.00%
Signages	10.00%
Intangible Assets:	
Initial Fee	10 Years
Intangible Assets	6 Years
Leasehold Improvement	Period of lease or 10 years whichever is less

2.3 Lease:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right-of -use assets

The Company recognizes right-of-use assets at the lease commencement date of the lease (i.e., the date the underlying asset is available for use) as per NFRS 16. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Impairment of non-financial assets.

b) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

c) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

2.4 Borrowing Costs:

Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.

- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. The Company considers a period of twelve months or more as a substantial period of time.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method.
- All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

2.5 Investment Properties:

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect.

Investment properties are derecognized either when they have been disposed of (i.e., at the date the recipient obtains control) 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 and the carrying amount of the asset is recognized in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Company considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.6 Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

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Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

2.7 Financial Instrument

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.

2.7.1 Initial recognition and measurement

All financial assets are recognized initially at fair value plus, transaction costs that are attributable to the acquisition of the financial asset except in the case of financial assets recorded at fair value through profit or loss.

On initial recognition, a financial asset is classified as measured at
- amortized cost;
- Fair Value through Other Comprehensive Income (FVTOCI) – Debt Investment;
- Fair Value through Other Comprehensive Income (FVTOCI)- Equity Investment; or
- Fair Value through Profit or Loss (FVTPL)

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and deferred payment credit.

2.7.2 Subsequent measurement

i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect 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 on the principal amount outstanding.

ii) Financial assets at fair value through other comprehensive income (FVTOCI)

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

Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

iii) Financial assets at fair value through profit or loss (FVTPL)

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

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iv) Equity investments

All equity investments in scope of NFRS 9 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which NFRS 9 applies are classified as at FVTPL. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

v) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the reporting date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

Interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate method. Gains and losses are recognized in statement of profit or loss when the liabilities are derecognized as well as through the Effective Interest Rate (EIR) amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit or Loss.

2.7.3 Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

2.7.4 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counter party.

2.7.5 Derecognition:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes an associated liability for amounts it has to pay.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in OCI and accumulated in equity is recognized in the Statement of Profit and Loss.

The Company de-recognizes financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognized and the consideration paid and payable is recognized in the Statement of Profit and Loss.

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2.8 Impairment of Assets:

The carrying amounts of the company's assets, other than biological assets, investment property, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Intangible assets that are not yet available for use, the recoverable amount are estimated at each reporting date. An impairment loss is recognized when the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the Profit or Loss Statement. Recoverable amount is the greater of the asset's net selling price and value in use.

2.9 Inventories (As taken, valued and certified by the management):

Cost of inventories includes cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories of stores, spare parts and loose tools are stated at the lower of weighted average cost and net realizable value. Net realizable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

2.10 Cash and Cash Equivalents:

Cash and cash equivalents in the Statement of Financial Position comprise cash in hand, balance with Banks and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value. However, for the purpose of the Cash Flow Statement the same is net of outstanding bank overdrafts.

For the purposes of the cash flow statement, cash and cash equivalent comprise cash and non-mandatory balances with banks and amounts due from banks with a maturity of less than three months.

2.11 Revenue:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at fair value of the consideration received or receivable net of taxes.

Revenue is recognized upon transfer of ownership of goods to the customers, provided pervasive evidence of an arrangement exists whereby collectability of revenue is reasonably certain and no performance obligation is pending.

Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

a) Service Charge (Management Portion):

Income from service charges is recognized on accrual basis net of contribution to be made to the Employees and employees union as per Labour Rules.

b) Insurance & Other Claims:

Insurance and other claims are accounted for in the year of claim received.

c) Rental Income:

Rental Income has been recognized considering the lease period and the conditions of the lease agreement.

d) Interest Income:

Interest Income has been recognized on accrual basis. For all debt instruments measured either at amortized cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

2.12 Employee Benefit:

2.12.1 Short term Benefits:

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

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2.12.2 Other Long term Benefits:
The liabilities for earned leaves and sick leaves that are expected to be settled wholly within twelve months. There is no policy for accumulation of leave and hence are measured on actual basis. As there is no any accumulated leave payment system, the company has not calculated accumulated leave compensation as per actuaries.

2.12.3 Post Employee Benefits:
Defined Contribution Scheme:
Contributions to defined contribution schemes (Provident and Gratuity) are charged to the profit or loss statement in the year to which they relate as the company has no further defined obligations beyond monthly contributions. Contributions to defined contribution schemes for local employees are deposited with Social Security Fund.

2.13 Foreign Currency Transaction:
Transactions in foreign currency are recorded at the rates of exchange in force at the time of transactions are effected.

Foreign currency denominated assets and liabilities are reported as follows:
At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions.

Exchange differences on monetary items are recognized in the Statement of Profit or Loss in the period in which they arise except for:
• exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
• exchange differences relating to qualifying effective cash flow hedges and qualifying net investment hedges in foreign operations which are recognized in OCI.

2.14 Trade and other payables:
Liability for trade and other payables are carried at cost which is the fair value of services. The Company considers the carrying amount as approximately at fair value due to short term maturity of those instruments.

2.15 Provisions, contingent Liability and Contingent Assets:
Provisions are recognized when the Company has a present obligation as a result of past event; it is more likely than not that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates in accordance with applicable Nepal Accounting Standards.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the assets and related income are recognized in the period in which right to receive occurs.

2.16 Related party transactions:
All transactions with related parties are carried out by the Company at arm's length prices.

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2.17 Trade and other Receivables:

Trade and other Receivables are originated by the Company and are stated at cost less provisions for any uncollectible amount. Provision is made against debts considered doubtful of recovery whereas debts considered irrecoverable are written off.

2.18 Taxation:

Current Tax:

Current Income tax for the current and prior periods are recognized in statement of profit or loss using the tax rates in accordance with Income Tax Act, 2058 and provided for:

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Tax:

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized 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 (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if legally enforceable right exists to set off deferred tax assets against deferred tax liabilities and the deferred tax assets and deferred taxes relate to same taxable entity and same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.19 Cash Flow Statements:

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of 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, investing and financing activities of the Company are segregated. The Cash flow statement is separately attached with the Financial Statements of the company.

2.20 Segment Reporting:

The company is a Restaurant Retail Chain. The product range of the company is pizza, KFC products & ice-cream. The company is managed organizationally as a unified entity with various functional heads reporting to the top management. There are therefore, no separate segments required within the company as defined by the NAS (Segment Reporting) issued by the Accounting Standard Board of Nepal.

2.21 Share Based Payments:

Share based payment transaction is a transaction in which entity receives goods and services as consideration for equity instruments (including shares or share options) of the entity (referred to as "equity settled share passed transaction"). There is no share based transactions during the Year.

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3. Property, Plant and Equipment

In NRS

Particulars	Plant & Machinery	Leasehold Assets	Furniture & Fixtures	Electrical Equipment	Office Equipments	Computer	Vehicle	Smallware	Signages	Total
Cost of asset										
As at April 1, 2023	**277,088,506**	**120,150,768**	**81,073,096**	**67,201,116**	**17,958,710**	**23,590,465**	**3,424,495**	**11,007,603**	**19,598,989**	**621,093,748**
Addition for the year 2023-24	35,237,864	29,667,287	4,867,634	3,502,349	117,504	2,195,694	-	425,699	4,984,571	80,998,602
Disposals	(5,935,991)	(701,778)	-	-	-	-	(101,770)	-	-	(6,739,539)
Adjustments	-	-	-	-	-	-	105,310	-	-	105,310
As at March 31, 2024	**306,390,379**	**149,116,277**	**85,940,730**	**70,703,465**	**18,076,214**	**25,786,159**	**3,428,035**	**11,433,302**	**24,583,560**	**695,458,121**
Depreciation and impairment										
As at April 1, 2023	**130,514,062**	**33,962,186**	**70,285,718**	**42,518,875**	**9,665,434**	**15,997,796**	**1,249,102**	**4,647,668**	**5,841,755**	**314,682,596**
Depreciation charge for the period	17,394,883	13,045,416	4,041,193	4,343,067	1,592,443	2,419,643	585,436	1,051,672	2,143,781	46,617,534
Disposal	(5,935,682)	-	-	-	-	-	(101,770)	-	-	(6,037,452)
Adjustments	-	-	-	-	-	-	105,310	-	-	105,310
As at March 31, 2024	**141,973,263**	**47,007,602**	**74,326,911**	**46,861,942**	**11,257,877**	**18,417,439**	**1,838,078**	**5,699,340**	**7,985,536**	**355,367,988**
Net book value										
As at March 31, 2024	**164,417,116**	**102,108,675**	**11,613,819**	**23,841,523**	**6,818,337**	**7,363,720**	**1,589,957**	**5,733,962**	**16,598,024**	**340,090,133**
As at March 31, 2023	**146,574,444**	**86,188,582**	**10,787,378**	**24,682,241**	**8,293,276**	**7,592,669**	**2,175,393**	**6,359,935**	**13,757,234**	**306,411,152**

3.1 Fixed Assets are not revalued during the year.

3.2 Leasehold Assets amounting to NPR 701,778 was erroneously acquired during the year, which was subsequently disposed within the same year. No depreciation was charged on such assets.

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Notes to the Financial Statements
As on March 31, 2024

4. Right to Use of Assets

In NRS

Particulars	Restaurants, Stores, Office Space and Others	Deferred Rent	Total
Cost of asset			
As at April 1, 2023	**639,681,835**	**13,797,295**	**653,479,130**
Additions	77,909,827	2,092,603	80,002,430
Adjustment	-	-	-
Impairment	-	-	-
As at March 31, 2024	**717,591,662**	**15,889,898**	**733,481,560**
Depreciation and impairment			
As at April 1, 2023	**165,118,950**	**6,030,744**	**171,149,694**
Depreciation charge for the period	55,586,906	1,023,773	56,610,679
Adjustments	-	-	-
Impairment	-	-	-
As at March 31, 2024	**220,705,856**	**7,054,517**	**227,760,373**
Net book value			
As at March 31, 2024	**496,885,806**	**8,835,381**	**505,721,187**
As at March 31, 2023	**474,562,885**	**7,766,551**	**482,329,436**

4.1 The company has lease contracts for various items of space for restaurants, office, warehouse used in its operations. Leases of restaurants space generally have lease terms between 10 and 15 years, while space for office and other generally have lease terms between 5 and 10 years. The Company obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets and some contracts require the company to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments. The Company also has certain leases of guest house with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

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5. Intangible Assets

In NRS

Particulars	Initial Fee	Software	Total
As at April 1, 2023	**40,405,799**	**15,304,845**	**55,710,644**
Additions	-	230,000	230,000
Disposals	-	-	-
Impairment	-	-	-
As at March 31, 2024	**40,405,799**	**15,534,845**	**55,940,644**

Amortization and impairment			
As at April 1, 2023	**17,949,599**	**9,929,397**	**27,878,996**
Amortization charge for the period	4,051,649	1,811,511	5,863,160
Impairment/ writeoff	-	-	-
As at March 31, 2024	**22,001,248**	**11,740,908**	**33,742,156**

Net book value			
As at March 31, 2024	**18,404,551**	**3,793,937**	**22,198,488**
As at March 31, 2023	**22,456,200**	**5,375,448**	**27,831,648**

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6. Capital work-in-progress

Particulars

In NRS

Particulars	Plant & Machinery	Electrical Equipments	Furniture & Fixtures	Leasehold Improvement	Signage	Smallware	Computer	Software	Total
As at April 1, 2023	**17,775,336**	-	-	**165,000**	-	**102,758**	**1,092,423**	**150,000**	**19,285,517**
Additions	20,149,560	615,187	2,575,014	637,265	1,559,436	391,615			25,928,077
Capitalization	(19,588,372)	(464,643)	(2,575,014)	(248,788)	(1,559,436)	(425,697)	(439,331)	(150,000)	(25,451,281)
As at March 31, 2024	**18,336,524**	**150,544**	-	**553,477**	-	**68,676**	**653,092**	-	**19,762,313**

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7. Prepayments, Advances & Deposit

Particulars		Non Current		Current	
		As at March 31, 2024 NRS	As at March 31, 2023 NRS	As at March 31, 2024 NRS	As at March 31, 2023 NRS
Advance to Employees	7.1	-	-	829,122	2,566,979
Statutory Deposits	7.2	131,600	837,360	-	-
Deposits for Disputed Case	7.3	-	-	9,610,000	9,570,000
Bank Guarantee Margin	7.4	1,680,000	1,380,000	-	-
Security Deposits	7.5	11,067,129	8,882,878	-	500,000
		12,878,729	**11,100,238**	**10,439,122**	**12,636,979**

7.1. Advance To Employees:
It includes advance given to Employee for official purpose to be settled within one year. It does not include any long term advances given on concessional rate.

7.2. Statutory Deposit:
Statutory Deposits are the deposit given to government organisation in ordinary course of business which is recognized and

7.3 Deposits for Disputed Case
This includes deposits for cases with Income Tax Department.

7.4. Bank Guarantee Margin:
BG Margin are margin held by bank against bank guarantee issued to Income Tax Department for disputed cases against additional Income tax demand and issued to Custom for EXIM code.

7.5. Financial Assets - Rent Security Deposits
agreement which can be adjusted with the future liabilities at the end of lease period. Accordingly the same has been classified as financial asset at amortised cost in CY.

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8. Other Non Financial Assets

Particulars		Non Current		Current	
		As at March 31, 2024 NRS	As at March 31, 2023 NRS	As at March 31, 2024 NRS	As at March 31, 2023 NRS
Current Tax Assets	8.1	-	-	6,095,598	-
CIT Recoverable		-	-	-	20,000
Incentives Receivables					
KFC Asia Holdings LLC, USA	8.2	-	-	5,082,462	-
Pizzahut Asia Pacific Holdings LLC, USA	8.2	-	-	2,005,414	-
Prepaid Expenses		-	-	2,984,172	3,400,108
Advances to Suppliers	8.3	-	-	5,337,449	8,580,195
Capex Advance	8.4	24,105,987	17,399,389	-	-
TT Margin		-	-	1,407,507	582,271
		24,105,987	17,399,389	22,912,602	12,582,574

8.1. Current Tax Assets:
The current tax assets represents net of income tax liability with the advance tax deposited, Withholding tax deducted on interest income from call & term deposits.

8.2 Incentives Receivables:
The incentives receivables for KFC Asia Holdings LLC, USA and Pizzahut Asia Pacific Holdings LLC USA is basically the incentives receivable for KFC Biratnagar and Pizzahut Biratnagar.

8.3. Advances To Suppliers:
The Company has given advances to suppliers and others in ordinary course of business, which is considered good and recoverable.

8.4. Capex Advance:
The Company has given advances to suppliers amounting to NRs.24.11 Million (PY NRs.17.4 Million) for expansion and construction of New Outlets and warehouse, which is considered good and recoverable.

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9. Deferred Tax Assets

Particulars	As at March 31, 2024 NRS	As at March 31, 2023 NRS
Deferred Tax as at beginning of the year	22,715,962	17,863,302
Arises during the year	4,447,713	4,852,660
	27,163,675	**22,715,962**

Particulars	As at March 31, 2024 NRS	As at March 31, 2023 NRS
Deferred Tax Liability		
Property, plant and equipment	(5,638,756)	(3,935,703)
Intangible assets	-	-
Lease Payments	-	-
Employee benefits	-	-
Inventories	-	-
OCI Deferred Tax	-	-
Sub Total	**(5,638,756)**	**(3,935,703)**
Deferred tax Assets		
Property, plant and equipment	-	-
Unabsorbed Depreciation as per Income Tax	-	-
Right of Use & Lease Liability	31,078,141	25,146,755
Employee benefits	1,724,290	1,504,910
Provisions	-	-
Sub Total	**32,802,431**	**26,651,665**
Net Deferred Tax Liabilities/(Assets)	**27,163,675**	**22,715,962**

10. Other Receivables

Particulars		As at March 31, 2024 NRS	As at March 31, 2023 NRS
Other Receivables	10.1	14,249,557	12,069,428
		14,249,557	**12,069,428**

10.1. Other Receivables:
Trade receivables includes receivables of business assets and are non interest bearing.

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11. Cash & Cash Equivalent

Particulars		As at March 31, 2024 NRS	As at March 31, 2023 NRS
Cash in Hand (As certified by the Management)		5,235,262	5,237,241
Balances with Banks:			
In Current and call A/C	11.1	53,742,324	82,240,322
Short Term Fixed Deposits		45,000,000	10,000,000
		103,977,586	**97,477,563**

Balances at bank in term & Call deposits earns interest at floating rates based on bank deposit rates. Short-term deposits are made for varying periods of between one month and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Balance at Bank in Term Deposits includes amount held by bank as fixed deposits having maturity of three months. Accordingly the same is classified as cash & cash equivalents.

The above balances are considered as the cash & cash equivalents for the purpose of Statement of Cash Flows.

12. Inventories

Particulars	As at March 31, 2024 NRS	As at March 31, 2023 NRS
Raw Material, Packing, Cleaning & Misc. Stores	36,761,890	42,186,347
	36,761,890	**42,186,347**

13. Share Capital

Particulars	As at March 31, 2024 NRS	As at March 31, 2023 NRS
Authorized		
6,000,000 Equity Shares @ NPR.100.00 each	600,000,000	371,072,500
Issued		
3,710,725 Equity Shares @ NPR.100.00 each	371,072,500	371,072,500
Paid Up Capital		
2,140,086 (PY 1,696,375) Equity Shares of NPR.100.00 each	214,008,600	169,637,500
	214,008,600	**169,637,500**

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13.1 Reconciliation of Equity Share:

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Equity Shares	1,696,375	1,591,346
Add:	443,711	105,029
Bonus Issue	-	-
Closing balance	**2,140,086**	**1,696,375**
Value of Shares (NRS)	**214,008,600**	**169,637,500**

13.2 Shares in the company held by shareholders
214,008,600 Equity Shares are held by M/s. Devyani International Limited, New Delhi, the holding company.

13.3 The Company has only one class of of equity shares having par value of NRs. 100 per share. Every member of holding equity shares therein shall have voting rights in proportion to the member's share of the paid up equity share capital.

13.4 The Special General Meeting of the board of directors held on 5 Feb 2023 decided to distribute 443,711 bonus shares of NRs, 100 each from the avaliable retained earning. The same has been alloted as on 2nd July 2023.

13.5 The share capital/share lagat has been updated in the record of Office of Company Registrar (OCR) vide letter No.78/79, Challan No 92996 dated 2079/01/19 with respect to bonus share NRs. 15,003,000 respectively, and the company has applied for the updated share lagat with respect to bonus share amounting to NRs. 54,874,000.

14. Other Equity

Particulars		As at March 31, 2024 NRS	As at March 31, 2023 NRS
Retained Earnings			
Opening Balance		146,391,961	44,990,191
Adjustment of NFRS 9, Financial Assets and Liability Measured at Amortised Cost		3,776,170	3,776,170
Bonus issue	14.1	(44,371,100)	(10,502,900)
Cash Dividend	14.2	(23,870,190)	-
Prior Year Tax Adjustment	14.3	(1,529,481)	(17,906,471)
Profit/(Loss) for the year		80,823,459	129,811,140
		161,220,819	**150,168,130**

14.1. Bonus Share
During the year company has issued bonus share amountig to Rs.65.88 million (PY Rs.10.5 million) from the profits generated in current year.

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14.2. Prior Year Tax Adjustments

The Company has accepted some issued raised by tax office which was previously disputed & lack of clarity with tax Acts, case laws, concerned authorities relating to tax treatment of certain items. These mainly include disallowance of expenses, tax treatment of certain expenses claimed by the Company as deduction and the computation of or eligibility of the Company's use of certain tax incentives or allowances.

Particulars	Amount
Additional Income Tax liability that arose from Tax Assessment for the FY 2075-76	1,529,481
	1,529,481

15. Preference Share Capital

Particulars	As at March 31, 2024 NRS	As at March 31, 2023 NRS
Authorized		
8,00,000 5% Preference Shares of NRs.100 each	80,000,000	80,000,000
Issued		
8,00,000 5% Preference Shares of NRs.100 each	80,000,000	80,000,000
Paid Up Capital		
4,00,000 5% Preference Shares of NRs.100 each	40,000,000	40,000,000
	40,000,000	**40,000,000**
Present Value of Preference Share Capital at Amortized Cost	38,473,323	37,495,396
	38,473,323	**37,495,396**

15.1. The company has issued 5% redeemable (8 Years) cumulative preference shares during the year and accrued dividend on those have been provided on time proportion basis.

As per requirement of NFRS 16, company has measured preference share capital at amortised cost at the discounted rate 2.59%.

16. Loans & Borrowing

Particulars	Non-Current		Current	
	As at March 31, 2024 NRS	As at March 31, 2023 NRS	As at March 31, 2024 NRS	As at March 31, 2023 NRS
Term Loan - Everest Bank Ltd.	-	-	-	-
Unsecured - Short Term Loan	-	-	-	-
Secured - Short Term Loan	-	-	-	-
Less: Current Current Maturities	-	-	-	-
	-	-	-	-

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17. Lease Liability

Particulars	As at March 31, 2024 NRS	As at March 31, 2023 NRS
As at 1 April, 2023	575,149,904	565,948,402
Additions During the year	136,030,200	89,346,796
Payments	(89,981,733)	(80,145,294)
Disposal During the year	-	-
	621,198,371	**575,149,904**
Non Current Lease Liability	**581,136,871**	**543,091,010**
Current Lease Liability	**40,061,500**	**32,058,894**

17.1 Lease Liability

The interest rate has been assumed to be the effective rate of interest implicit in the lease for the purpose of discounting. Interest expense accrued on lease liability, being a component of finance cost is presented separately as a charge in the statement of Profit or Loss.

18. Other Financial Liabilities

Other Financial Liabilities - Non Current	As at March 31, 2024 NRS	As at March 31, 2023 NRS
Non Current Leave Encashment	4,457,393	3,603,324
	4,457,393	**3,603,324**

Other Financial Liabilities - Current

Particulars	As at March 31, 2024 NRS	As at March 31, 2023 NRS
Employee Payables (18.1)		
Staff Salary Payable	9,519,779	15,797,741
Leave Encashment (18.1.1)	689,978	515,916
Payable to staff (Reimbursement)	423,057	527,279
Gratuity Payable (18.1.2)	1,749,788	1,900,399
Staff Bonus Payable	3,680,364	9,162,624
Statutory Payables		
Withholding Tax Payable	2,981,284	3,671,437
Social Security Fund Payable	497,991	865,875
Value Added Tax Payable	1,204,766	5,676,790
Preference Dividend Payable (18.2)	1,343,014	3,243,012
Capex Creditors	279,819	2,455,065
Provision for Expenses (18.3)		
Payable to Franchisor		
KFC Asia Holdings LLC, USA	-	15,484,185
Pizzahut Asia Pacific Holdings LLC, USA	-	786,497
KFC Asia Franchise Pte. Ltd, Singapore	8,936,488	-
Pizza Hut Asia Pacific Franchise Pte. Ltd, Singapore	1,096,132	-
Income Tax Payable	-	13,888,715
Corporate Social Responsibility Payable (i)	3,566,488	2,691,122
Other Expenses Payable	-	1,479,750
	35,968,948	**78,146,407**

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18.1 Employees Payables

The employees payables includes salary, PF & reimbursement payables against expenses incurred on behalf of the company.

18.1.1 Leave Encashment

The company has encashed leave per section 49 of Labour Act 2074, i.e. Accumulated annual leave up to 90 days and sick leave up to 45 days can be encashed at the time of discontinuation of service.

Accordignly, the company has accumulated leave liability amounting to NPR 5.15 Million (PY NRs.4.12 Million) as on 31st March 2024.

Particulars	As at March 31, 2024 NRS
Net defined benefit liability at the start of the period	4,119,240
Acquisition adjustment	
Total Service Cost	982,780
Net Interest cost (Income)	289,994
Re-measurements	328,977
Contribution paid to the Fund	-
Benefit paid directly by the enterprise	(573,620)
Net defined benefit liability at the end of the period	5,147,371

Actuarial Assumption

Discount Rate	7.03%
Future Salary Increment	6%
Retirement Age (Years)	58 years
Withdrawal Rate:	
Up to 30 Years	9%
From 31 to 44 years	13%
Above 44 years	17%

18.1.2 Gratuity Payable

As per the provision of new Labor Act enacted and effective from September 4, 2017, gratuity plan has been converted into contribution plan. Further the act specifies that the amount of contribution need to be deposited with Social Security Fund. Accordingly, the company has been depositing the contribution of 8.33% of basic salary in the Social Security Fund with effect from 17th July 2019.

The company has shown the gratuity payable amounting to NPRs. 1.75 Million (PY NRs.1.9 Million) as on 31st March 2024 as per old labor act 1992 under other financial liabilities, and the same has not been deposited under any approved fund.

18.2 Dividend On Preference Share

The Company had issued 5%, Redeemable Preference Shares amounts Rs. 40,000,000 to M/s. Devyani International Limited, New Delhi, the holding company on B.S. 2074.03.27 vide the minutes of the Board Meetings held on 2074.03.27, which are in nature of cumulative, non-convertible, redeemable at par for the maximum period of 8 years.

The company has paid preference dividend upto 16th July 2023 and shall pay the outstanding dividend amount NPRs. 1.34 Million after tax clearance of FY 2080-81 i.e, 2023.07.17 to 2024.07.15 is received.

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18.3 Provision for Expenses

A provision is recognized when the enterprise has a present obligation as a result of past events and it is probable that an outflow of resources and transfer of economic benefits will be required to settle the obligation in respect of which a reliable estimate can be made.

The amount of provision recognized is the management's best estimate of expenditure required to settle the present obligation as at the reporting date. Management reviews provisions at each balance sheet date and is adjusted to reflect the best current estimate. If it is no longer probable that a an outflow of resource/transfer of economic benefits will be required to settle the obligation, the provision is reversed.

(i) Corporate Social Responsibility Payable

The company has provided 1% of its Profit after tax towards Corporate Social Responsibility (CSR) as required under Section 54(1) of the Industrial Enterprises Act, 2076. The fund created for the CSR is to be utilized in the prescribed sector on the basis of annual plans and programs as per the Industrial Enterprises Act, 2076.

The closing balance of corporate social responsibility is amounting to NPR 3.57 Million (PY NRs.2.69 Million).

19. Trade Payables

Particulars	As at March 31, 2024 NRS	As at March 31, 2023 NRS
Sundry Creditors Local	60,437,707	49,004,963
To related party		
Devyani International Ltd. (India)	3,640,344	-
Varun Beverage Nepal Pvt Ltd	855,764	820,609
	64,933,815	**49,825,572**

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20. Revenue From Operations

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at fair value of the consideration received or receivable.

Revenue is recognized upon transfer of ownership of goods and services to the customers, provided pervasive evidence of an arrangement exists whereby collectability of revenue is reasonably certain and no performance obligation is pending. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

Revenue comprises sale of Pizza Products, KFC Products, Cream Bell Ice-Cream etc.

Particulars	Year ended March 31, 2024 NRS	Year ended March 31, 2023 NRS
Sales of Goods (Net of taxes)	1,016,503,276	950,409,670
	1,016,503,276	**950,409,670**

21 Other Operating Revenues

Particulars	Year ended March 31, 2024 NRS	Year ended March 31, 2023 NRS
Service Charge Income		
Management Portion	-	22,423,245
	-	**22,423,245**

Income from service charges is recognized on accrual basis after contribution made to the Employees and employees union as per Labour Rules. However after 25 Jan 2023, the provision of collecting service charge has been abolished by Supreme Court of Nepal due to which income recognition of 29% is not applicable from such date.

22. Cost of Materials Consumed

Particulars	Year ended March 31, 2024 NRS	Year ended March 31, 2023 NRS
Opening Stock	42,186,347	32,300,457
Add: Purchases	338,509,653	342,924,367
Total	**380,696,000**	**375,224,824**
Less : Closing Stock	36,761,890	42,186,347
Material Consumed	**343,934,110**	**333,038,477**

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23. Operating Expenses

Particulars	Year ended March 31, 2024 NRS	Year ended March 31, 2023 NRS
Rent Expenses	8,414,055	3,545,534
Water and Lab Testing Expenses	465,440	391,028
Communication Expenses	2,343,957	2,258,749
Conveyance & Travelling	3,250,601	5,274,014
Power & Fuel	49,499,126	42,047,424
Repairs & Maintenance (Plant & Machinery)	3,525,588	2,804,685
Repairs & Maintenance - Leasehold Building	588,511	1,280,219
Cleaning & Pest Control Expenses	6,123,117	9,698,700
Freight, Distribution & Handling Expenses	27,964,456	1,006,131
Security Charges	1,120,267	1,668,407
	103,295,118	**69,974,891**

24. Employee Benefit Expenses:

Particulars		Year ended March 31, 2024 NRS	Year ended March 31, 2023 NRS
Short Term Employee Benefits			
Salary & Allowance	i	150,070,660	96,316,377
Festival Allowance	ii	2,523,873	2,568,445
Staff Bonus	iii	12,254,332	19,184,203
Staff Welfare & Amenities		25,824,761	25,852,266
Long Term Employee benefits:	iv		
Contribution to Social Security Fund		3,360,785	3,170,685
Leave Encashement	v	1,791,820	1,826,491
		195,826,231	**148,918,467**

i. Outsource Service Fee:

The company entered into an agreement with Garud Support Services Pvt. Ltd. for supplying outsourced employees and as per agreement, such employees are also eligible for receiving service charges collected by the company. The agreement with Garud Supports Services Pvt. Ltd. also stipulates that staff drop and meal facilities should be arranged by DINPL itself as providing to other payroll employees and accordingly the company provides such facilities to all employees without any discrimination. The company has accounted for service charge income & expenses separately in the financial statement by the same amount. Previously, the expenses were accounted for under outsource Service Fee, however, the current year the same has been shown under Salary & Allowance (Employee Benefit Expenses.)

ii. Festivals Allowance

The Company has provided the one month equivalent to salary under Festival Allowance as required under New Labour Act, 2074.

iii. Staff Bonus

As per Section 5 of Bonus act, 1974 'Each profit making enterprise shall have to allocate an amount equivalent to Ten percent of its net income of one fiscal year for bonus to the employees. Accordingly, Provision for staff bonus has been provided as per bonus act.

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iv. Long Term Employee benefits:

The Company has schemes of employment benefits namely Social Security fund as per Labour Act 2017.

Defined Contribution Schemes:

Eligible employees receive the retirement benefit plan established with Social Security Fund (SSF) which is a defined contribution plan. Both the employee and company make monthly contributions to the SSF plan equal to 28.33% percent (18.33% by Employer & 10% by Employee) of the basic salary/wages. Periodic contributions made to the SSF are charged to revenue. The company enrolled & started to deposit in the SSF w.e.f. 17th July 2019 onward.

v. Leave Encashement:

The Company has provided liability under leave encashment for FY 2023-24 amounting to NPRs 1.79 Million (PY NRs.1.83 Million) as per the acturial Report from FY 2023-24.

25. Administrative Expenses

Particulars		Year ended March 31, 2024 NRS	Year ended March 31, 2023 NRS
General Office & Miscellaneous Expenses		107,680	185,657
Franchisee (Royalty) Fee	25.1	50,302,502	48,885,141
Advertisement & Publicity Expenses		40,726,803	37,435,674
Rate, Tax and Renewal Expenses		660,757	25,892
Printing & Stationery		617,029	927,652
Legal & Professional Charges		1,993,444	993,912
Insurance Charges		2,873,113	2,533,123
Auditors' Remuneration			
- Statutory Audit Fee	25.2	400,000	375,000
Registration & Renewal Charges		401,553	535,226
Repairs & Maintenance (Vehicles)		60,177	31,483
Foreign exchange loss		-	375,879
Fuel Expenses		1,516,703	637,184
Repairs & Maintenance (Computer, Furnitures & Office Equipment)		257,971	359,357
Corporate Social Responsibility		1,102,890	1,726,578
		101,020,622	**95,027,758**

25.1. Franchisee (Royalty) Fee

Due to the Brand Novation from Yum Asia Franchisee Pte Ltd., Singapore to KFC Asia Pacific Holdings, LLC, USA and Pizza Hut Pacific Holdings LLC USA, the franchisor has been replaced with effect from January 1, 2020 with all the terms and conditions of the existing agreement remaining the same.

The company has entered into a franchisee agreement with KFC Asia Pacific Holdings, LLC, USA and Pizza Hut Pacific Holdings LLC USA and to operate KFC & Pizza Hut restaurants in Nepal and agreed to pay royalty @ 6%/ 5% of sales from KFC products & Pizza Hut products as per the approval from Department of Industry.

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The company has applied for approval to department of Industries for the new outlets and accordingly the company has accounted the Franchisee fee amounting to NPRs. 50.3 Million (PY NRs.48.89 Million) during the year as follows.

Particulars	Year ended March 31, 2024 NRS	Year ended March 31, 2023 NRS
Sales for 6% Royalty Calculation	9,418,584	200,307,186
Sales for 5% Royalty Calculation	994,747,741	737,334,200
Total	**1,004,166,325**	**937,641,386**
Royalty @ 5% and 6%	**50,302,502**	**48,885,141**

25.2. Auditors' Remuneration:
Auditors' Remuneration includes following Expenses:

Particulars	Year ended March 31, 2024 NRS	Year ended March 31, 2023 NRS
Statutory Audit Fee - July to July	225,000	200,000
Statutory Audit Fee - April to March	100,000	100,000
Tax Audit Fee	50,000	50,000
Auditors Out of Pocket Expenses	25,000	25,000
Total	**400,000**	**375,000**

26. Depreciation & Amortization

Particulars	Year ended March 31, 2024 NRS	Year ended March 31, 2023 NRS
Depreciation - Property, Plant and Equipment	46,617,537	38,796,107
Depreciation - Lease Assets	56,610,686	54,005,611
Prepaid Rent Amortization	-	-
Amortization - Intangible Assets	5,863,160	6,270,131
	109,091,383	**99,071,849**

27. Finance Cost

Particulars		Year ended March 31, 2024 NRS	Year ended March 31, 2023 NRS
Dividend on Preference Share	27.1	2,000,000	2,000,000
Interest on financial liabilities measured at amortised cost		977,927	946,612
Bank Charges & Commission		2,371,405	3,278,111
Interest on lease liabilities	27.2	58,120,366	55,650,947
		63,469,698	**61,875,670**

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27.1 Preference Share Dividend

The Company had issued 5%, Redeemable Preference Shares amounts Rs.40,000,000 to M/s. Devyani International Limited, New Delhi, the holding company on B.S. 2074.03.27 vide the minutes of the Board Meetings held on 2074.03.27, which are in nature of cumulative, non-convertible, redeemable at par for the maximum period of 8 years. As the shares are cumulative in nature, the liability to pay dividend will arise when the Company has distributable profits to its shareholders, Accordingly the Company has provided liability of preference dividend in books for FY 2023-24 amounting to Rs.2,000,000 .

27.2 Interest on Lease liabilities

Interest Expenses are the finance expense accrued/recognized on the present value of all the lease payments over the lease period.

28. Finance Income

Particulars		Year ended March 31, 2024 NRS	Year ended March 31, 2023 NRS
Interest Income	28.1	5,347,200	2,843,540
Interest Income of Security Deposits	28.2	840,155	639,764
		6,187,355	**3,483,304**

28.1. Interest Income

Interest income from Bank Deposits has been recognised using effective interest method as required by NAS 39. The rate of concerned bank from which interest income is earned is considered as effective rate of interest.

28.2. Interest Income of Security Deposits:

The Interest Income of Security Deposits is the income recognized on unwinding of security deposit given to land lord which is in accordance with NFRS 9, Financial Instruments.

29. Other Income

Particulars		Year ended March 31, 2024 NRS	Year ended March 31, 2023 NRS
Balance written back	29.1	1,478,683	452,662
Gain on sale of Fixed Asset	29.2	12,961	1,713,273
Other Income	29.3	411,000	-
Sale of Scrap	29.4	576,093	356,206
Foreign exchange gains		653,887	-
		3,132,624	**2,522,141**

29.1. Balance Written Back:

Balance written back includes reversal of excess provision.

29.2. Gain on sale of Fixed Asset:

Gain on sale of Fixed Asset includes sale of Bike.

29.3. Other Income:

Other Income includes incentives received on sale of beverage from Varun Beverage Nepal Pvt Ltd.

29.4. Sale of Scrap:

Sale of scrap includes sale of scrap oil.

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30. Tax Expenses

Tax expenses comprises of Current and Deferred Tax. Current Tax has been made as per the provisions of Nepal Income Tax Act, 2058. Deferred Income Taxes reflects the impact of current years timing differences between taxable income for the year and reversal of timing differences of earlier years.

Particulars		Year ended March 31, 2024 NRS	Year ended March 31, 2023 NRS
Current Tax	30.1	32,810,347	45,972,768
Deferred tax	30.2	(4,447,713)	(4,852,660)
		28,362,634	**41,120,108**

30.1 Current Tax Expenses

Provision for Income Tax has been made as per Income Tax Act, 2058.
The normal tax rate applicable to the company is 25%.

30.2 Deferred Tax

Deferred tax is measured based on the tax rates and the laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets are realized.

The Company has recognized deferred tax assets/liabilities amounting to Rs. 4.448 million which resulted from the timing differences between the Book Profit and Tax Profit, for the reporting period ended March 31, 2024 in Income Statements, the details of which is as under:

Particulars	Year ended March 31, 2024 NRS	Year ended March 31, 2023 NRS
Origination and reversal of temporary differences	4,447,713	4,852,660
Changes in tax rate	-	-
Effect of Deferred Taxes on Remeasurement of Defined Benefit Plans in OCI	-	-
Change in accounting policy	-	-
	4,447,713	**4,852,660**

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31. **Basic Earnings Per Share (EPS)**

Company presents basic and diluted Earnings Per Share (EPS) for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

Particulars	Year ended March 31, 2024 NRS	Year ended March 31, 2023 NRS
Profit for the year (Rs.) after tax	80,823,459	129,811,140
Weighted average number of shares	2,029,462	1,029,075
Basic Earning per share (Rs.)	**39.83**	**126.14**
Diluted Earning per share (Rs.)	**39.83**	**126.14**
Weighted average number of shares		
Weighted average no. of equity shares (Units)	2,029,462	1,608,611
	2,029,462	**1,608,611**

The Special General Meeting of the board of directors held on 5 Feb 2023 decided to distribute 443,711 bonus shares of NRs, 100 each from the available retained earning. The same has been allotted as on 2nd July 2023. Total number of shares of previous year has been retrospectively adjusted with the bonus shares issued during current year for the purpose of computation of EPS.

32 **Proposed Dividends:**

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are paid.

Dividends proposed by the Board of Directors after the reporting date is not recognised as a liability and is only disclosed as a note to the financial statements. (Refer Note No. 39)

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33 Financial Instruments:
Accounting Classifications and Fair Value

The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

a) Fair Value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments

b) Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The carrying amounts and fair values of financial instruments by class are as follows:

Particulars	Carrying value			Fair value measurement using		
	Fair value through profit and loss ('FVTPL')	Fair value through other comprehensive income ('FVOCI')	Amortised cost	Level 1	Level 2	Level 3
Financial assets						
Non- Current						
Statutory Deposits	-	-	131,600	-	-	131,600
Bank Guarantee Margin	-	-	1,680,000	-	-	1,680,000
Security Deposits	-	-	11,067,129	-	-	11,067,129
Current						
Advance to Employee	-	-	829,122	-	-	829,122
Deposits for Disputed Case	-	-	9,610,000	-	-	9,610,000
Total	-	-	**23,317,851**	-	-	**23,317,851**
Financial liabilities						
Non- Current						
Preference Share Capital	-	-	38,473,323	-	-	38,473,323
Current						
Lease Liabilities	-	-	40,061,500	-	-	40,061,500
Other Financial Liabilities	-	-	35,968,948	-	-	35,968,948
Trade Payables	-	-	64,933,815	-	-	64,933,815
Total	-	-	**179,437,586**	-	-	**179,437,586**

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34 Related party transactions

The Company carries out transactions in the ordinary course of business with parties who are defined as related parties in NAS 24 - Related Party Disclosures.

Details of the related party transactions are reported below.

34.1 Identification of Related Party

A related party is a person or entity that is related to the entity that is preparing its financial statements

a. A person or a close member of that person's family is related to a reporting entity if that person:
(i) has control or joint control of the reporting entity
(ii) has significant influence over the reporting entity or
(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b. An entity is related to a reporting entity if any of the following conditions applies:
(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) The entity is controlled or jointly controlled by a person identified in (a).
(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Nature	Name of the Company	Representatives
Ultimate Controlling Party	RJ Corp Limited	
Holding Company	Devyani International Limited, India (DIL)	
Company with substantial influence over the Company	Varun Beverage Nepal Private Limited	

Nature	Name	Designation
Key Managerial Person	Mr. Sanjeev Arora	Director

34.2 Those Charged with Governance

Those Charged with Governance of company include members of board of directors namely:

Name	Nature of relationship
Mr. Sanjeev Arora	Director
Mr. Vijay Sharma	Director
Mr. Ritu Raj Shah	Company Secretary

Directors of the company are not provided any facilities or paid any fee by the company expect remuneration of travel expenses and allowances.

34.3 Transactions with related parties during the year ended

The following transactions were carried out with related parties in the ordinary course of business:

Particulars	Devyani International Limited, India (DIL) NRS	Varun Beverage Nepal Private Limited (VBNPL) NRS
Opening balance	3,243,012	820,609
Purchases of materials during the year	56,538,782	15,753,912
Purchases (Fixed Assets)	1,308,097	-
Preference Dividend (Net of TDS)	1,900,000	-
Equity Dividend (Net of TDS)	22,676,680	-
Payment Made	(80,683,213)	(15,369,405)
Incentive	-	(349,352)
Closing Balance	**4,983,358**	**855,764**

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35 Risk Management Framework

Concentration risk

The company has domestic fast food sales. However all the domestic sales are scattered in different demographic areas made to number of outlets and the company has minimum exposure of concentration risk, however due to extensive demands of the company's product, the risk if any exists can be mitigated.

Governance framework

The Board of Directors of the Company has the overall responsibility for the establishment and oversight of the Company's risk management framework.

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 and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board is ultimately responsible for monitoring compliance with the Company's risk management policies and procedures. The Board is assisted in these functions by internal audit department and the Board Audit Committee. The internal audit department undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

The Board of Directors reviews and agree policies for managing each of these risks which are summarized below.

35.1 Financial risks

The Company's financial assets majorly comprise of advance, other receivables, security deposits and cash & cash equivalents. The Company's financial liabilities majorly comprise of deferred payment credit, trade payables, and other commitments.

The Company is exposed to credit risk and liquidity risk arising out of operations and the use of financial instruments. The Board of Directors have overall responsibility for establishment and review of the Company's risk management framework.

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 and systems are reviewed regularly to reflect changes in market conditions affecting business operations and the Company's activities.

Nature and extent of risk arising from financial instruments

The Company has exposure to the following risks from financial instruments.

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing risks.

- **Credit risk/loan risk**

Credit risk is the risk of financial loss to the Company, if a customer or counter-party to a financial instrument fails to meet its contractual obligations in accordance with agreed terms and arises principally from the Company's trade receivables, advances, investments in securities and deposits with financial institutions such as time deposits, demand deposits, etc. The Company's maximum exposure to counterparty credit risk at the reporting date is the carrying value of financial assets.

Management of credit risk - Financial investments (Except listed equity securities)

The credit risk is controlled by analysing credit limits and credit worthiness of customers on continuous basis to whom the credit has been granted, obtaining necessary approvals for credit and taking security deposits from trade channels. The Company evaluates the credit ratings of the respective investee and/or respective issue prior to the investment decision are made. In addition, the Company focuses on tolerable levels concentration risk and portfolio monitoring in line with the Company's risk appetite. Credit risk for investments in fixed deposits are managed by depositing the amount with highly reputed Commercial banks only.

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Management of credit risk - Cash at bank

The Company's exposure to credit risk with relevant to cash and cash equivalents is minimal since these balances are maintained at banks and finance companies with high credit ratings.

- **Liquidity risk**

The Company determines its liquidity requirement in the short, medium and long term. This is done by drawings up cash forecast for short term and long term needs. Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility. The treasury management team plans the cash flows of the Company by planning and identifying future mismatches in funds availability and reports the planned and current liquidity position to the top management and board of directors of the Company.

Management of liquidity risk

The following controls are in place to mitigate liquidity risk which is faced by the Company.

i. The Company manage its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position.

ii. Main sources of the Company's funding are capital and Revenue from operation i.e. Sale of product. The Company also maintains a portfolio of readily marketable securities to strengthen its liquidity position. Investment durations are diversified, depending on the cash flow needs of the Company and maturity periods are regularly reviewed. Cash flow analysis is done prior to investments are made.

iii. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain mutual funds and fixed deposit which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis.

iv. Availability of overdraft facility to be used only in the event of an emergency.

v. Determining the maturity profiles of assets & liabilities assets based on the estimated timing of net cash outflows from recognised liabilities.

vi. Planning for all large cash outflows in advance and making necessary arrangements to ensure the availability of funds to meet such outflows.

Exposure to liquidity risk

The Company monitors the liquidity position of the Company to asses funding requirements. Liquid assets include cash and short term investments and bills purchased. The Company also monitors maturity profile of its assets and liabilities.

Maturity profiles

The following table summarises the maturity profile of the financial assets, financial liabilities and other liabilities. The Company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseeable interruption of cash flow. The Company also has committed lines of credit that it can access to meet liquidity needs.

35.2 **Market risk**

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. Market risk is an aggregation of:

a) Interest rate risk
b) Foreign Currency risk
c) Commodity price risk

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a) Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to risk due to interest rate fluctuation on long term borrowings. Such borrowings are based on fixed as well as floating interest rate. Interest rate risk is determined by current market interest rates, projected debt servicing capability and view on future interest rate. Such interest rate risk is actively evaluated and is managed through portfolio diversification and exercise of prepayment/refinancing options where considered necessary.

Management of interest rate risk

In order to mitigate the interest rate risk faced by the Company, the management follows the guidelines set out in the investment policy which is regularly reviewed by the Investment Committee. Among such guidelines, following guidelines included to mitigate the interest rate risk faced by the Company.

i. To manage such risks, such investments are done mainly for short durations, in line with the expected business requirements for such funds.

ii. Forecasting and monitoring future cash inflows and outflows when formulating investment strategies.

iii. Relative amounts of the each portfolio will be determined by the Company's liquidity position, availability of market values, individual securities' risk/return profiles.

b) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to the changes in foreign exchange rates. The Company's principal transactions are carried out in Nepalese Rupees (Rs.) and hence, its exposure to foreign exchange risk arises primarily on imports of input materials, capital equipments and also borrows funds in foreign currency for its business.

Management of currency risk

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Company adopts a policy of selective hedging based on risk perception of the management using derivative, wherever required, to mitigate or eliminate the risk.

c) Commodity Price Risk

Commodity price risk for the Company is mainly related to fluctuations in coal, bauxite, gypsum and iron ore prices linked to various external factors, which can affect the production cost of the Company. Since the Energy costs is one of the primary costs drivers, any fluctuation in coal fuel prices can lead to drop in operating margin.

Management of currency risk

To manage this risk, the Company enters into enter into long-term supply agreement through Letter of credits for imported coal, identifying new sources of supply etc. Such risks are monitored by tracking of the prices and are managed by entering into fixed price contracts, where considered necessary. Additionally, processes and policies related to such risks are reviewed and controlled by senior management and fuel requirement are monitored by the central procurement team.

35.3 Operational risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process.

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35.4 Risk Management Framework

Contractual maturities of undiscounted cash flows of financial assets and financial liabilities are provided below.

As at March 31, 2024

Particulars	Within 1 Year NRS	1-3 Years NRS	3-5 Years NRS	More than 5 Years NRS	No stated Maturity NRS	Total NRS
Financial assets						
Prepayments, Advances & Deposit	10,439,122	-	-	11,067,129	1,811,600	23,317,851
Other Receivables	14,249,557	-	-	-	-	14,249,557
Cash & Cash Equivalents	103,977,586	-	-	-		103,977,586
Total	**128,666,265**	-	-	**11,067,129**	**1,811,600**	**141,544,994**
Financial liabilities						
Preference Share Capital	-	38,473,323				
Loans & Borrowing	-	-	-	-	-	38,473,323
Lease Liabilities	40,061,500	107,212,764	151,470,130	-		-
Other Financial Liabilities	35,968,948	-	-	322,453,977	-	621,198,371
Trade Payables	64,933,815	-	-	-	-	35,968,948
Total	**140,964,263**	**145,686,087**	**151,470,130**	-		64,933,815
				322,453,977	-	**760,574,457**
Net Financial Liabilities	**(12,297,998)**	**(145,686,087)**	**(151,470,130)**	**(311,386,848)**	**1,811,600**	**(619,029,463)**

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As at March 31, 2023

Particulars	Within 1 Year NRS	1-3 Years NRS	3-5 Years NRS	More than 5 Years NRS	No stated Maturity NRS	Total NRS
Financial assets						
Prepayments, Advances & Deposit	12,636,979	-	-	8,882,878	2,217,360	23,737,217
Other Receivables	12,069,428	-	-	-	-	12,069,428
Cash & Cash Equivalents	97,477,563	-	-	-		97,477,563
Total	**122,183,970**	**-**	**-**	**8,882,878**	**2,217,360**	**133,284,208**
Financial liabilities						
Preference Share Capital	-	37,495,396		-	-	37,495,396
Loans & Borrowing	-	-	-	-		-
Lease Liabilities	87,606,839	7,652,372	9,136,021	470,754,672		575,149,904
Other Financial Liabilities	78,146,407	-	-	-		78,146,407
Trade Payables	49,825,572	-	-	-		49,825,572
Total	**215,578,818**	**45,147,768**	**9,136,021**	**470,754,672**	**-**	**740,617,279**
Net Financial Liabilities	**(93,394,848)**	**(45,147,768)**	**(9,136,021)**	**(461,871,794)**	**2,217,360**	**(607,333,071)**

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36 Capital management:

The Company's objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control.

In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic Investments. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings, both short term and long term. The Company monitors capital using debt-equity ratio, which is total debt less liquid investments and bank deposits divided by total equity.

Particulars	As on March 31, 2024 NRS	As on March 31, 2023 NRS
Total Debt (Bank and other borrowings)	38,473,323	37,495,396
Equity	375,229,419	319,805,630
Net Debt	**38,473,323**	**37,495,396**
Debt to Equity (Net)	**0.10**	**0.12**

In addition, the Company has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, etc. which is maintained by the Company. Also breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

37 Capital Commitments and Contingencies

37.1 Capital commitments

The following capital commitments existed as on the reporting date:

Store Name	Amount (NRS)
KFC Birgunj	25,122,652
PH Birgunj	27,657,942
Warehouse	24,022,500
Less: Invoiced and Advanced	(43,868,300)
Total Capital Commitments	**32,934,794**

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37.2 Contingencies

a) Contingent Tax Liability:

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision is made.

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Total Contingent Liability for the year ending 31st March 2024 together with comparative year 31st March 2023 are provided below:

Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings (to the extent ascertainable) (in NRS)	
		As on March 31, 2024	As on March 31, 2023
Direct tax			
Disallowance under Income Tax Act 2058	8 cases for FY 2009-10 (FY 2066-67 - Nepali Calendar Year)	20,636,936	20,636,936
Disallowance under Income Tax Act 2058	5 cases for FY 2014-15 (FY 2071-72 - Nepali Calendar Year)	1,183,567	1,183,567
Total contingent liability under Income Tax (Direct Tax) (A)		**21,820,503**	**21,820,503**
Indirect tax			
Disallowance under VAT Act 2053	1 Reassessment Case Pending at MLTO for FY 2009-10, 2010-11 (FY 2066-67, FY 2067-68 - Nepali Calendar Year)	7,531,248	7,531,248
Total contingent liability under VAT (Indirect Tax) (B)		**7,531,248**	**7,531,248**
Total contingent liability under Direct and Indirect Tax (A+B)		**29,351,751**	**29,351,751**

Inland Revenue Office Area No. 1 Babarmahal, Kathmandu also assessed additional VAT, Income Tax & TDS amounting to Rs.1,89,16,596, Rs.1,87,82,440, & Rs. 18,54,496 respectively including interest and penalty for FY 2066-67. The Company has refused to accept such reassessment orders and hence appealed for the Administrative Review by depositing Rs. 63,10,000 as VAT & Rs, 68,90,000 as Income Tax & TDS. However the company has availed the amnesty scheme provided by Governmant via section 20 Finance ordinance 2078 and dispose off the litigitation under VAT on having payment of assessed VAT amount along with 50% of Interest amounting Rs. 1,20,55,000. Out of Rs. 1,20,55,000, Rs. 63,10,000 was adjusted from the deposit amount and Rs. 57,45,000 was deposited as on 2078.08.29 via voucher no. 27939479.

The verdict of Administrative Review in regard of Income Tax & TDS is still awaited.

The MLTO (Medium Level Tax Office), Babarmahal, Kathmandu, disallowed expenses amounting to Rs.47,34,269.96 for FY 2071-72 at the time of assessment but the company not accepted such assessment order and appealed to the Inland Revenue Department for administrative review. The verdict of Administrative Review received by the company is not favourable hence the management has filed petition at Revenue Tribunal which has given the verdict in the favour of the company issuing reassessment order to MLTO. The Reassessment is pending at MLTO.

The Company is currently involved in a legal dispute pertaining to labor-related matters as per section 131(4) of Labor law 2074. The matter has been reported to Labor and employee Office Teku, on date 2080.09.01 affixed by document no 2650. Management has assessed the situation and determined that there exists a contingent liability which may result in financial damages against the Company. However, due to the nature of the ongoing litigation and uncertainties surrounding the final outcome, the amount of potential liability cannot be reasonably estimated at this time.

The Company will continue to disclose relevant updates and developments in subsequent financial reporting periods as more information becomes available or as circumstances evolve.

b) Bank Guarantee:

i) The company has given guarantee to Custom Department amounting NPR 300,000 (Previous Year Same Amount) for Exim Code.

c) Letter of credits/TT Margin

i) The bank has held TT margin amounting to NPRs. 1.15 Million during the year.

ii) In addition to above amount, the bank has also held 10% Margin Money amounting to NPRs. 0.26 Million the same has been carried forward since 2013.

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38 Segment Reporting:

The company is a Restaurant Retail Chain. The product range of the company is pizza, KFC products & ice-cream. The company is managed organizationally as a unified entity with various functional heads reporting to the top management. There are therefore, no separate segments required within the company as defined by the NAS (Segment Reporting) issued by the Accounting Standard Board of Nepal.

39 Events after Balance Sheet Date:

The management of the company has not identified any adjusting or non-adjusting events after balance sheet date, except, the following, thus no any disclosure in this regard required.

40 Period of Financial Statement:

The financial statements has been prepared for the period from 1st April 2023 to 31st March 2024 with comparative figure period of 1st April 2022 to 31st March 2023.

41 Foreign Currency Payables and Receivables:

Party	Outstanding Balance in FCY	
KFC Asia Holdings LLC, USA (Receivable)	$	38,000
Pizzahut Asia Pacific Holdings LLC, USA (Receivable)	$	15,000
KFC Asia Franchise Pte. Ltd, Singapore (Payable)	$	(66,815)
Pizza Hut Asia Pacific Franchise Pte. Ltd, Singapore (Payable)	$	(8,195)
Total	**$**	**(22,010)**

42 Regrouping of figures:

Previous years figures have been regrouped/rearranged wherever necessary.

43 Miscellaneous:

i) All amounts are stated in Nepalese Rupees.
ii) Notes 1 to 43 form an integral part o Financial Statements.

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