



O P BAGLA & CO LLP
CHARTERED ACCOUNTANTS

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Report to Auditors of Devyani International Limited

1. We have examined the standalone financial statements of **M/s. Devyani International (Nepal) Private Limited** ("the Company") as at 31st March, 2026 dated 20 April 2026 consisting of Balance Sheet, Statement of profit & loss account for the year ended as on that date and other reconciliations and information in accordance with International Financial Reporting Standards, the provisions of the Companies Act, 2006 and accordance with applicable Nepal Accounting Standards, which were audited by B.K. Agrawal & Co., Chartered Accountants Nepal, who expressed an unmodified opinion on these financial statements. The said financial statements are converted into "Ind AS" Financials as per Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 (Act) read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India (referred to as the Fit for Consolidation (FFC) financial statements). These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these FFC financial statements based on our examination.
2. We conducted our examination in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the work to obtain a reasonable assurance about whether the FFC financial statements are free of material misstatement. It includes examining, on a test check basis, evidence supporting the amounts and disclosures in the FFC financial statements. It also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall FFC financial statements presentation. We believe that our examination provides a reasonable basis for our opinion.
3. These FFC financial statements have been prepared solely to enable **Devyani International Limited** to prepare its consolidated financial statements in accordance with the requirements of Indian Accounting Standards ('Ind AS') 110 'Consolidated Financial Statements' and not to report on the **M/s. Devyani International (Nepal) Private Limited** as a separate entity. Accordingly, these FFC financial statements are not intended to present an opinion on true and fair view of the balance sheet of **M/s. Devyani International (Nepal) Private Limited** as at 31st March, 2026 and of the result of operations for the year ended on that date in accordance with generally accepted accounting principles in India.
4. However, in our opinion, these FFC Accounts have been prepared, in all material respects, in conformity with accounting policies of **Devyani International Limited** and are suitable for inclusion in the consolidated financial statements of **Devyani International Limited** prepared in accordance with the requirements of Indian Accounting Standards ('Ind AS') 110 'Consolidated Financial Statements'.
5. This report is intended solely for the use of Auditors in connection with the audit of the consolidated financial statements of **Devyani International Limited** and should not be used for any other purpose.

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

(Kripa Shankar Shukla)
Partner

Membership No.: 515763
UDIN : 26515763PAFYQJ1321
Place :- Gurugram
Date :- 02-05-2026

Devyani International Nepal Private Limited
Balance Sheet as at 31 March 2026
₹ in millions, except for share data and if otherwise stated

Particulars	Note	As at 31 March 2026	As at 31 March 2025
Assets			
Non-current assets			
Property, plant and equipment	3A	316.21	237.00
Right-of-use assets	3B	297.36	250.54
Capital work-in-progress	4	-	-
Other intangible assets	5	8.18	10.41
Financial assets	6	11.36	9.16
Deferred tax assets (net)	26	17.11	19.00
Other non-current assets	7	14.78	7.08
Total non-current assets		665.00	533.19
Current assets			
Inventories	8	39.54	31.07
Financial assets			
(i) Trade receivables	9	7.82	8.54
(ii) Cash and cash equivalents	10	77.34	128.71
(iii) Other financial assets	6	12.88	1.92
Other current assets	7	14.49	16.63
Income tax assets (net)	26	3.03	7.13
Total current assets		155.10	194.00
Total assets		820.10	727.19
Equity and liabilities			
Equity			
Equity share capital	11	288.02	160.35
Other equity	12	33.79	91.46
Total equity		321.81	251.81
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14	-	-
(ii) Lease liabilities	13	356.12	308.11
Provisions	15	3.79	2.96
Total non-current liabilities		359.91	311.07
Current liabilities			
Financial liabilities			
(i) Borrowings	14	-	24.64
(ii) Trade payables	16	-	-
(a) total outstanding dues of micro and small enterprises		-	-
(b) total outstanding dues of creditors other than micro and small enterprises		79.50	69.35
(iii) Lease liabilities	13	33.97	26.11
(iv) Other financial liabilities	17	16.66	38.31
Other current liabilities	18	6.86	4.58
Provisions	15	1.39	1.32
Total current liabilities		138.38	164.31
Total equity and liabilities		820.10	727.19

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

As per our report of even date attached

For O P Bagla & Co LLP

Chartered Accountants

ICAI Firm Registration No.: 000018N/NS000918

Kripa Shankar Shukla

Partner

Membership No.: 515763

Place: Gurugram

Date: 02/05/2026



For and on behalf of the Company

Devyani International Nepal Private Limited

Sanjeev Arora

Sanjeev Arora

Director

DIN: 00009288



Devyani International Nepal Private Limited
Statement of Profit and Loss for year ended 31 March 2026
(₹ in millions, except for share data and if otherwise stated)

Particulars	Note	For the year ended 31 March 2026	For the year ended 31 March 2025
Income			
Revenue from operations	19	796.21	646.66
Other income	20	9.18	6.68
Total income		805.39	653.34
Expenses			
Cost of materials consumed	21	266.81	210.17
Employee benefits expense	22	140.03	117.70
Finance costs	23	42.27	39.26
Depreciation and amortisation expense	24	80.39	72.31
Provision of impairment of non-financial assets	24B	0.54	2.81
Other expenses	25	180.43	150.84
Total expenses		710.47	593.09
Profit before tax		94.92	60.25
Tax expense	26		
Current tax		22.15	17.64
Current tax for earlier years		0.88	1.93
Deferred tax		1.89	(2.03)
Total tax expense		24.92	17.54
Profit for the year		70.00	42.71
Other comprehensive income			
Items that will be reclassified to profit or loss			
Exchange difference in translating financial statements of foreign operations		-	-
Other comprehensive income for the year (net of tax)		-	-
Total comprehensive income for the year		70.00	42.71
Earnings per equity share of face value of NRS 100 each	27		
Basic (₹)		16.62	10.14
Diluted (₹)		16.62	10.14
Material accounting policies	2.2		

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

As per our report of even date attached

For O P Bagla & Co LLP

Chartered Accountants

ICAI Firm Registration No.: 000018N/N500091

Kripa Shankar Shukla

Partner

Membership No.: 515763

Place: Gurugram

Date: 02/05/2026



For and on behalf of the Company

Devyani International Nepal Private Limited

Sanjeev Aroha

Sanjeev Aroha

Director

DIN: 00009288



Devyani International Nepal Private Limited
Cash Flow Statement for the year ended 31 March 2026
(All amounts except for share data and if otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Cash flows from operating activities		
Profit before tax	94.92	60.25
Adjustments for:		
Depreciation and amortisation expense	80.39	72.31
Provision of impairment of non-financial assets	0.54	2.81
Loss on sale of Fixed Asset	0.06	-
Liabilities no longer required written back	(7.40)	(0.66)
Loss/(gain) on termination/modification of leases	-	(2.12)
Interest accretion on financial liabilities measured at amortised cost	42.27	39.26
Interest income from bank deposits and others	(0.36)	(1.80)
Interest income from financial assets at amortized cost	(0.86)	-
Operating profit before working capital changes	209.56	170.05
Adjustments for changes in:		
- trade receivables	0.72	0.05
- inventories	(8.47)	(8.13)
- loans, other financial assets and other assets	(13.82)	(3.03)
- trade payables, other financial liabilities and other liabilities	22.66	26.14
Cash generated from operating activities	210.65	185.08
Income tax paid	(18.94)	(22.90)
Net cash generated from operating activities	191.71	162.18
Cash flows from investing activities		
Payment for property, plant and equipment and other intangible assets	(138.39)	(39.45)
Proceeds from sale of property, plant and equipment and other intangible assets	11.23	-
Interest received	0.77	1.80
Net cash used in investing activities	(126.39)	(37.65)
Cash flows from financing activities		
Redemption of preference share capital	(24.98)	-
Dividend paid	(23.92)	(1.26)
Payment of lease liabilities- principal	(25.40)	(22.02)
Payment of lease liabilities- interest	(41.35)	(37.39)
Interest paid	(1.04)	(0.07)
Net cash used in financing activities	(116.69)	(60.74)
Net (decrease)/increase in cash and cash equivalents during the year (A+B+C)	(51.37)	63.79
Cash and cash equivalents at the beginning of the year	128.71	64.93
Cash and cash equivalents as at the end of the year (refer note 10)	77.34	128.71

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

2. Changes in liabilities arising from financing activities

	For the year ended 31 March 2026	For the year ended 31 March 2025
Opening balance of loans:		
Redeemable, cumulative, non-convertible preference shares (unsecured)	24.64	24.02
Cash flows		
Redemption of preference share capital	(24.98)	-
Non-cash changes		
Changes in loans received at amortisation cost	0.34	0.62
Closing balance of loans		
Redeemable, cumulative, non-convertible preference shares (unsecured)	-	24.64

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

As per our report of even date attached

For O P Bagla & Co LLP

Chartered Accountants

ICAI Firm Registration No.: 000018/N/500091

Kripa Shankar Shukla

Partner

Membership No.: 515763

Place: Gurugram

Date:

02/05/2026



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

Sanjeev Arora

Sanjeev Arora

Director

DIN: 00009288



Devyani International Nepal Private Limited
Statement of Changes in Equity for the year ended 31 March 2026
₹ in millions, except for share data and if otherwise stated

A. Equity share capital

	As at 31 March 2026		As at 31 March 2025	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	2,568,103	160.35	2,140,086	133.63
Changes in equity share capital	1,644,665	127.67	428,017	26.72
Balance at the end of the year	4,212,768	288.02	2,568,103	160.35

B. Other equity

	Reserves and surplus			Items of Other comprehensive income		Total
	Promoter contribution in equity	Retained earnings	Capital Redemption Reserve	Exchange difference on translation of foreign operations	Other item of other comprehensive income	
Balance as at 1 April 2024	19.95	81.08	-	(0.37)	-	100.66
Profit for the year	-	42.71	-	-	-	42.71
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-
Total comprehensive income for the year	-	42.71	-	-	-	42.71
Bonus share issued during the year	-	(26.73)	-	-	-	(26.73)
Dividend paid	-	(25.18)	-	-	-	(25.18)
Balance as at 31 March 2025	19.95	71.88	-	(0.37)	-	91.46
Balance as at 1 April 2025	19.95	71.88	-	(0.37)	-	91.46
Profit for the year	-	70.00	-	-	-	70.00
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-
Total comprehensive income for the year	-	70.00	-	-	-	70.00
Prior year tax	-	-	-	-	-	-
Security Deposit recognised (NFRS)	-	-	-	-	-	-
Contribution during the year	-	(24.98)	24.98	-	-	-
Bonus share issued during the year	-	(102.69)	(24.98)	-	-	(127.67)
Dividend paid	-	-	-	-	-	-
Balance as at 31 March 2026	19.95	14.21	-	(0.37)	-	33.79

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

As per our report of even date attached

For O P Bagla & Co LLP

Chartered Accountants

ICAI Firm Registration No.: 000018N/500099

Kripa Shankar Shukla

Partner

Membership No.: 515763

Place: Gurugram

Date: 02/05/2026



For and on behalf of the Company

Devyani International Nepal Private Limited

Sanjeev Arora

Sanjeev Arora

Director

DIN: 00009288



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

1. Company Information / 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 Sinamangal ward No 35, Kathmandu, Nepal and branch office at Durbanmarg, Tripureshwor, Boudha, Labim Mall, Lalitpur, Bhaktapur and in Pokhara. The main objectives of the Company is to open restaurants to sell Pizza Products, KFC Products, Beverages etc.

2.1 Basis of preparation

(a) Statement of compliance

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

(b) Functional and presentation currency

The financial statements of the company are presented in Indian Rupees (₹) and the Company's functional currency is Nepalese Rupees (NRS). All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per requirement of Schedule III to the Act, except for share data and if otherwise stated.

(c) Basis of measurement

The financial statements have been prepared on a historical cost basis except for certain financial assets and financial liabilities that are measured at fair value or amortised cost (refer to note 28).

(d) Critical accounting estimates and judgements

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

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

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

Note 2.2 (g) and 32 - measurement of defined benefit obligations : key actuarial assumptions.

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

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

Note 2.2 (k) and 28 - fair value measurement of financial instruments

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

Note 2.2 (k) impairment assessment of financial assets.

Note 2.2 (n) and 28 - fair value measurement of financial guarantee contracts.

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

Note 2.2 (f) and 31 - judgement is required to ascertain whether it is probable or not that an outflow of resources embodying economic benefits will be required to settle the taxation disputes and legal claim.

There are no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

(e) Fair value measurement

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

- In the principal market for the asset or liability, or

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

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

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

- Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

Fair value of financial instruments measured at fair value through profit and loss and amortised cost are disclosed in note 28.



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

2.2 Material accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

(a) Property, plant and equipment

Recognition and measurement

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

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

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

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

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

Subsequent costs

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

Depreciation

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

Depreciation has been charged based on the following useful lives:

Asset Head	Useful life of asset (in years)
Plant and equipment	12
Computers	6
Furniture and fittings	6
Electrical fittings	10
Office equipment	10
Kitchen equipments	10
Vehicle	5

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

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

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

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

Capital work-in-progress

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

(ii) Other intangible assets

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

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

Subsequent costs

Subsequent costs is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All the subsequent expenditure on intangible assets is recognised in profit or loss, as incurred.



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

Amortisation

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

Amortisation has been charged based on the following useful lives:

Asset Head	Useful life of asset (in years)
License fee	10
Computer software	6

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

Intangible assets under development

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

(b) Inventories

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

(c) Leases

Leased assets

The Company as a lessee

As inception of the contract, the Company assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to control the use an asset (the underlying asset) for a period of time in exchange for consideration'.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Measurement and recognition of leases as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero, as the case may be.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the balance sheet. Also, the Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.



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

The Company as a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Company recognises lease payments received under operating leases as income on a straightline basis over the lease term as part of 'other income'.

The accounting policies applicable to the Company as a lessor in the comparative period were not different from Ind AS 116. However, when the Company was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

(d) Borrowing costs

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

(e) Impairment - non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication of impairment exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs). Goodwill arising from a business combination is allocated to CGU or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Impairment losses are recognised in the profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

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

(f) Provisions and contingent liabilities

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

Contingent liabilities

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

(g) Employee benefits

Short-term employee benefits

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

Post-employment benefit plans

Defined contribution plans

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



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

Contribution to Social Security Fund:

Eligible employees receive 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.

Defined benefit plans

Defined benefit plans of the Company comprise of gratuity.

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

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

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

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

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

Other long-term employee benefits

Compensated absences

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

(h) Income tax

Income tax expense comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any relating to income taxes. It is measured using tax rates enacted for the relevant reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis.

Deferred tax

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

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

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

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

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

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets levied by the same tax authorities.



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

(i) Foreign currency transactions and translations

Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of the Company at the exchange rates at the date of the transactions.

Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains/(losses) arising on account of realisation/settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the profit or loss.

(j) Revenue recognition

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

Sale of products

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

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

Service income and management fee

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

Interest income

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

Rental income

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

(k) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Recognition and initial measurement

Trade receivables and debt instruments are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets are initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are attributable to its acquisition or use.

Classification and subsequent measurement:

Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset being 'debt instrument' is measured at the amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

A financial asset being 'debt instrument' is measured at the FVTOCI if both of the following criteria are met:

- The asset is held within the business model, whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

A financial asset being equity instrument is measured at FVTPL.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL.



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

Subsequent measurement

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the profit or loss.

Financial assets at FVTPL

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

Derecognition

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

Impairment of financial assets (other than at fair value)

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

Write-off

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

Financial liabilities

Recognition and initial measurement

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

Classification and subsequent measurement

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the profit or loss.

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

Derecognition

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

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

Compound financial instruments

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

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

(l) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its equity shares.

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

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

(m) Current–non-current classification

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

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
 - it is held primarily for the purpose of being traded;
 - it is expected to be realised within 12 months after the reporting date; or
 - it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.
- Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.



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

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting period; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

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

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non-current.

(n) Financial guarantee contracts

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

(o) Cash and cash equivalents

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

(p) Segment reporting

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

(q) Expenditure

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

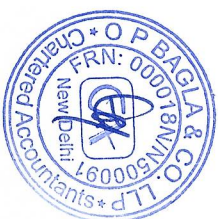


Devyani International Nepal Private Limited

Notes forming part of the financial statements for the year ended 31 March 2026
(₹ in millions, except for share data and if otherwise stated)

3A Property, plant and equipment

Particulars	Leasehold improvements	Plant and equipment	Furniture and fixtures	Electrical fitting	Office equipment	Computers	Utensil and kitchen equipments	Vehicles	Total
Gross Value									
Balance as at 1 April 2024	107.95	159.32	35.68	33.33	10.34	12.32	6.91	1.69	367.54
Additions during the year	15.19	33.79	2.36	2.73	0.05	3.67	0.45	1.67	59.91
Disposals during the year	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2025	123.14	193.11	38.04	36.06	10.39	15.99	7.36	3.36	427.45
Additions during the year	31.38	71.70	8.39	2.63	-	12.61	0.95	2.26	130.12
Disposals during the year	(11.16)	(5.99)	(2.48)	(2.86)	(1.73)	(0.96)	(0.21)	-	(25.39)
Balance as at 31 March 2026	143.56	258.82	43.95	35.83	8.66	27.64	8.10	5.62	532.18
Accumulated depreciation									
Accumulated depreciation as at 1 April 2024	33.89	56.62	28.43	18.39	6.08	7.75	3.31	0.70	155.17
Depreciation for the year	11.76	13.57	2.25	3.03	0.97	1.45	0.72	0.68	34.43
Disposals during the year	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31 March 2025	45.65	70.19	30.68	21.42	7.05	9.20	4.03	1.38	189.60
Depreciation for the year	13.11	16.19	2.08	3.00	0.84	2.45	0.73	1.09	39.49
Disposals during the year	(5.33)	(2.75)	(2.11)	(1.70)	(1.18)	(0.89)	(0.14)	-	(14.10)
Accumulated depreciation as at 31 March 2026	53.43	83.63	30.65	22.72	6.71	10.76	4.62	2.47	214.99
Accumulated impairment									
Accumulated impairment as at 1 April 2024	-	-	-	-	-	-	-	-	-
Impairment	0.85	-	-	-	-	-	-	-	0.85
Accumulated impairment as at 31 March 2025	0.85	-	-	-	-	-	-	-	0.85
Impairment	0.13	-	-	-	-	-	-	-	0.13
Accumulated impairment as at 31 March 2026	0.98	-	-	-	-	-	-	-	0.98
Net carrying value as at 31 March 2025	76.64	122.92	7.36	14.64	3.34	6.79	3.33	1.98	237.00
Net carrying value as at 31 March 2026	89.15	175.19	13.30	13.11	1.95	16.88	3.48	3.15	316.21



Devyani International Nepal Private Limited**Notes forming part of the financial statements for the year ended 31 March 2026***(₹ in millions, except for share data and if otherwise stated)***3B Right-of- use assets**

	As at 31 March 2026	As at 31 March 2025
Leasehold Restaurants	507.04	422.51
Accumulated depreciation	207.31	170.01
Accumulated impairment	2.37	1.96
Net carrying value	297.36	250.54

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Devyani International Nepal Private Limited

Notes forming part of the financial statements for the year ended 31 March 2026

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

Particulars	Amount
4 Capital work-in-progress	
As at 1 April 2024	12.35
Additions during the year	0.59
Assets capitalised during the year	(12.94)
As at 31 March 2025	-
Additions during the year	-
Assets capitalised during the year	-
Balance as at 31 March 2026	-
5 Other intangible assets	
Gross carrying amount	
As at 1 April 2024	23.92
Additions	-
Disposals	-
As at 31 March 2025	23.92
Additions	1.35
Disposals	-
As at 31 March 2026	25.27
Accumulated amortisation	
As at 1 April 2024	12.42
Amortisation	2.39
Disposals	-
As at 31 March 2025	14.81
Amortisation	2.55
Disposals	-
As at 31 March 2026	17.36
Net carrying amount	
As at 31 March 2025	9.11
As at 31 March 2026	7.91

License fees	Software	Total
23.92	9.66	33.58
-	-	-
-	-	-
23.92	9.66	33.58
1.35	0.02	1.37
-	(1.98)	(1.98)
25.27	7.70	32.97
12.42	7.31	19.73
2.39	1.05	3.44
-	-	-
14.81	8.36	23.17
2.55	1.05	3.60
-	(1.98)	(1.98)
17.36	7.43	24.79
9.11	1.30	10.41
7.91	0.27	8.18

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6 Financial assets

Particulars	Non-current		Current	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
<i>Unsecured, considered good</i>				
Security deposits (unsecured, considered good)	10.50	8.11	-	-
Bank deposits ^	0.86	1.05	0.94	-
Other receivables	-	-	11.94	1.92
	11.36	9.16	12.88	1.92

^ Non current of bank deposit INR .86 (31 March 2025 INR 1.05), pledged as security deposits with various government departments.

7 Other assets

Particulars	Non-current		Current	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
<i>Unsecured, considered good</i>				
Capital advances	14.78	7.08	-	-
Other advances:				
- Prepaid expenses	-	-	2.11	1.35
- Balance with statutory/government authorities (paid under dispute)	-	-	6.48	6.48
- Advances to employees	-	-	1.06	1.15
- Advance to suppliers	-	-	4.84	7.65
	14.78	7.08	14.49	16.63

8 Inventories

Particulars	As at 31 March 2026	As at 31 March 2025
<i>(Valued at lower of cost and net realisable value)</i>		
Raw materials including packaging materials	36.42	28.30
Stores and spares	3.12	2.77
	39.54	31.07

9 Trade receivables

Particulars	As at 31 March 2026	As at 31 March 2025
Trade receivables		
- Considered good- unsecured	7.82	8.54
- Credit impaired	-	-
	7.82	8.54
Less: Impairment allowances for credit losses	-	-
	7.82	8.54

Trade Receivables ageing schedule on 31 March 2026

	Outstanding for following period						Total
	Not Due	Less than 6 months	6 months -1 year	1 -2 year	2 -3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	-	7.82	-	-	-	-	7.82
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables-credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables-credit impaired	-	-	-	-	-	-	-
	-	7.82	-	-	-	-	7.82

Trade Receivables ageing schedule on 31 March 2025

	Outstanding for following year						Total
	Not Due	Less than 6 months	6 months -1 year	1 -2 year	2 -3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	-	8.54	-	-	-	-	8.54
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables-credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables-credit impaired	-	-	-	-	-	-	-
	-	8.54	-	-	-	-	8.54

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Notes forming part of the financial statements for the year ended 31 March 2026
(₹ in millions, except for share data and if otherwise stated)

Particulars	As at 31 March 2026	As at 31 March 2025
Balances with banks :		
- On current accounts	73.83	124.53
- in deposits accounts	-	-
Cash on hand	3.51	4.18
	<u>77.34</u>	<u>128.71</u>

Particulars	As at 31 March 2026	As at 31 March 2025
Authorised		
6,000,000 (previous year: 6,000,000) equity shares of NPR 100/- each	374.64	374.64
	374.64	374.64
Issued, Subscribed and fully paid -up		
4,212,768 (previous year: 2,568,103) equity shares of NPR 100/- each	288.02	160.35
	288.02	160.35

As at 31 March 2026		As at 31 March 2025	
No. of shares	Amount	No. of shares	Amount
2,568,103	160.35	2,140,086	133.63
1,644,665	127.67	428,017	26.72
4,212,768	288.02	2,568,103	160.35

As at		As at	
31 March 2026		31 March 2025	
No. of shares	% holding	No. of shares	% holding
4,212,768	100.00	2,568,103	100.00
4,212,768	100.00	2,568,103	100.00

As at 31 March 2026		As at 31 March 2025	
No. of shares	% holding	No. of shares	% holding
4,212,768	100.00	2,568,103	100.00

As at 31 March 2026		As at 31 March 2025	
No. of shares	% holding	No. of shares	% holding
4,212,768	100	2,568,103	100

Particulars	As at 31 March 2026	As at 31 March 2025
Promoter contribution in equity	19.95	19.95
Retained earnings	14.21	71.88
Exchange difference on translation of foreign operations	(0.37)	(0.37)
	33.79	91.46

Particulars	Non-current		Current	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
Lease liabilities (unsecured)	356.12	308.11	33.97	26.11
	356.12	308.11	33.97	26.11

14 Borrowings

Particulars	Non-current		Current	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
Redeemable, cumulative, non-convertible preference shares (unsecured)	-	-	-	24.64
	-	-	-	24.64

Terms / rights attached to 5% redeemable cumulative preference shares: The company has issued redeemable cumulative preference shares. The preference shares will be redeemed at par, within 8 years from the date of issue.

During the year ended 31 March 2026, the Company redeemed its redeemable preference shares in accordance with the terms of issue and the provisions of the Companies Act of Nepal. The redemption was made out of distributable profits. Accordingly, the liability towards such preference shares has been extinguished upon redemption.

15 Provisions

Particulars	Non-current		Current	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
Provision for employee benefits				
Gratuity	-	-	0.81	0.87
Compensated absences	3.79	2.96	0.58	0.45
	3.79	2.96	1.39	1.32

16 Trade payables

Particulars	As at 31 March 2026	As at 31 March 2025
Micro enterprises and small enterprises	-	-
Other than micro enterprises and small enterprises	79.50	69.35
	79.50	69.35

Trade Payables ageing schedule on 31 March 2026

	Outstanding for following period						Total
	Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(i) Others	35.52	-	43.97	-	-	-	79.49
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed Others dues	-	-	-	-	-	-	-
Total	35.52	-	43.97	-	-	-	79.49

Trade Payables ageing schedule on 31 March 2025

	Outstanding for following year						Total
	Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(i) Others	21.60	-	47.75	-	-	-	69.35
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed Others dues	-	-	-	-	-	-	-
Total	21.60	-	47.75	-	-	-	69.35

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Devyani International Nepal Private Limited

Notes forming part of the financial statements for the year ended 31 March 2026

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

17 Other financial liabilities

Particulars	Non-current		Current	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
Capital creditors	-	-	1.11	0.31
Employee related payables	-	-	14.15	12.06
Interest payable	-	-	1.40	2.02
Dividend payable	-	-	-	23.92
	-	-	16.66	38.31

18 Other liabilities

Particulars	Non-current		Current	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
Statutory dues:				
Value added tax payable	-	-	3.88	0.73
Tax deducted at source payable	-	-	2.68	3.43
Other statutory dues	-	-	0.02	0.39
Advance from customer	-	-	0.28	0.03
	-	-	6.86	4.58

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19 Revenue from operations

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Sale of products		
Finished goods	787.04	646.15
Other operating revenues		
Insurance claim received	8.62	-
Scrap sale	0.55	0.51
	796.21	646.66

20 Other income

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Interest income under effective interest method from:		
-bank deposits	0.36	1.80
Interest income from financial assets at amortized cost	0.86	0.65
Liabilities no longer required written back	7.40	0.66
Other non-operating income :		
- Net gain on foreign currency transactions and translations	0.54	0.22
- Gain on termination/modification of leases	-	2.12
-Other income	0.02	1.23
	9.18	6.68

21 Cost of materials consumed

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Opening stock-in-trade	28.30	20.85
Purchases of stock-in-trade	274.93	217.62
Closing stock-in-trade	36.42	28.30
	266.81	210.17

22 Employee benefit expense

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Salaries, wages and bonus	118.47	99.88
Contribution to provident and other funds	3.04	2.36
Staff welfare expenses	18.52	15.46
	140.03	117.70

23 Finance costs

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Interest accretion on financial liabilities measured at amortised cost	42.27	39.26
	42.27	39.26

24 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Depreciation on property, plant and equipment (refer note 3A)	39.49	34.43
Depreciation on right-of-use assets(refer note 3B)	37.30	34.44
Depreciation on intangible assets (refer note 5)	3.60	3.44
	80.39	72.31

24B Provision of impairment of non-financial assets

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Impairment on property, plant and equipment (refer note 3A)	0.13	0.85
Impairment on right-of-use assets (refer note 3B)	0.41	1.96
	0.54	2.81

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Devyani International Nepal Private Limited

Notes forming part of the financial statements for the year ended 31 March 2026

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

25 Other expenses

Particulars	For the year ended	For the year ended
	31 March 2026	31 March 2025
Stores and spares consumed	2.36	1.09
Power and fuel	39.16	35.42
Rent	8.48	6.27
Repairs and maintenance		
- Plant and equipment	4.40	3.43
- Buildings	1.13	0.35
Rates and taxes	0.81	0.61
Travelling and conveyance	3.11	2.94
Legal and professional	1.18	1.29
Auditor's remuneration (refer to note below)	0.30	0.25
Insurance	1.44	1.70
Printing and stationery	0.51	0.38
Communication	1.57	1.49
Security and service charges	6.49	5.50
Bank charges	1.60	1.24
Advertisement and sales promotion	33.50	26.28
Corporate Social Responsibility expenses	0.96	0.61
Loss on sale of Fixed Asset	0.06	-
Royalty and continuing fee	34.17	31.88
Freight, octroi and insurance paid	31.45	23.56
General office and other miscellaneous expenses	7.75	6.55
	180.43	150.84

Note - Auditor's remuneration

Particulars	For the year ended	For the year ended
	31 March 2026	31 March 2025
As auditor		
Statutory audit*	0.25	0.20
Tax matters	0.03	0.03
Outlays	0.02	0.02
	0.30	0.25

*Inclusive of applicable taxes

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26. Income Tax

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

Current tax:

Current year
In respect of prior years

Deferred tax expense:

Attributable to origination and reversal of temporary differences

For the year ended 31 March 2026	For the year ended 31 March 2025
22.15	17.64
0.88	1.93
1.89	(2.03)
24.92	17.54

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

Profit before tax
Statutory income tax rate
Tax using the Company's domestic tax rate -25% (31 March 2025: 25%)

For the year ended 31 March 2026	For the year ended 31 March 2025
94.92	60.25
25%	25%
23.73	15.06
0.88	1.93
0.31	0.55
24.92	17.54

Change in unrecognised temporary differences

In respect of prior years

Others

Income tax expense at effective tax rate reported in the Statement of Profit and Loss

(c) Income tax assets and Income tax liabilities:

Income tax assets (net)

As at 31 March 2026	As at 31 March 2025
3.03	7.13
3.03	7.13

(d) Deferred tax assets/liabilities

Deferred tax assets

	Deferred tax assets		(Deferred tax liabilities)		Net deferred tax assets / (liabilities)	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
Property, plant and equipment and intangible assets (net)	-	-	(9.30)	(4.35)	(9.30)	(4.35)
Employee related provisions and liabilities	1.29	1.07	-	-	1.29	1.07
Lease liabilities (net of right of use assets)	25.12	22.28	-	-	25.12	22.28
	26.41	23.35	(9.30)	(4.35)	17.11	19.00

Deferred tax liabilities

Deferred tax assets

Deferred tax assets recognised

(9.30)	(4.35)
26.41	23.35
17.11	19.00

(f) Movement of deferred tax assets/liabilities

	As at 31 March 2025	Recognised in the statement of profit & loss	Recognised in other comprehensive income	As at 31 March 2026
Property, plant and equipment and intangible assets (net)	(4.35)	(4.95)	-	(9.30)
Employee related provisions and liabilities	1.07	0.22	-	1.29
Lease liabilities (net of right of use assets)	22.28	2.84	-	25.12
	19.00	(1.89)	-	17.11

	As at 31 March 2024	Recognised in the statement of profit & loss	Recognised in other comprehensive income	As at 31 March 2025
Property, plant and equipment and intangible assets (net)	(3.52)	(0.83)	-	(4.35)
Employee related provisions and liabilities	1.08	(0.01)	-	1.07
Lease liabilities (net of right of use assets)	19.41	2.87	-	22.28
	16.97	2.03	-	19.00

27. Earnings per share (EPS)

Profit attributable to equity shareholders for calculation of basic and diluted EPS

Weighted average number of equity shares for the calculation of basic EPS*

Basic earnings per share (₹)

Diluted earnings per share (₹)

Nominal value per shares (NPR)

For the year ended 31 March 2026	For the year ended 31 March 2025
70.00	42.71
4,212,768	4,212,768
16.62	10.14
16.62	10.14
100	100

*Note:

Previous year number are adjusted for bonus share issued during the current year

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28. Fair value measurement and financial instruments

a. Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(i) As on 31 March 2026

Particulars	Note	Carrying value			Total	Fair value measurement using		
		Fair value through profit and loss ('FVTPL')	Fair value through other comprehensive income ('FVOCI')	Amortised cost		Level 1	Level 2	Level 3
Financial assets								
Non current								
(i) Financial assets*	6	-	-	11.36	11.36	-	-	-
Current								
(i) Trade receivables*	9	-	-	7.82	7.82	-	-	-
(ii) Cash and cash equivalents*	10	-	-	77.34	77.34	-	-	-
(iii) Other financial assets*	6	-	-	12.88	12.88	-	-	-
Total		-	-	109.40	109.40	-	-	-
Financial liabilities								
Non current								
(i) Lease Liabilities	13	-	-	356.12	356.12	-	-	-
Current								
(i) Trade payables*	16	-	-	79.50	79.50	-	-	-
(ii) Lease Liabilities	13	-	-	33.97	33.97	-	-	-
(iii) Borrowings#	14	-	-	-	-	-	-	-
(iv) Other financial liabilities	17	-	-	-	-	-	-	-
-Dividend Payable*		-	-	-	-	-	-	-
-Capital creditors *		-	-	1.11	1.11	-	-	-
-Employee related payables *		-	-	14.15	14.15	-	-	-
-Interest payable*		-	-	1.40	1.40	-	-	-
-Advance from customer*		-	-	-	-	-	-	-
Total		-	-	486.25	486.25	-	-	-

(ii) As on 31 March 2025

Particulars	Note	Carrying value			Total	Fair value measurement using		
		Fair value through profit and loss ('FVTPL')	Fair value through other comprehensive income ('FVOCI')	Amortised cost		Level 1	Level 2	Level 3
Financial assets								
Non current								
(i) Other financial assets*	6	-	-	9.16	9.16	-	-	-
Current								
(i) Trade receivables*	9	-	-	8.54	8.54	-	-	-
(ii) Cash and cash equivalents*	10	-	-	128.71	128.71	-	-	-
(iii) Other financial assets*	6	-	-	1.92	1.92	-	-	-
Total		-	-	148.33	148.33	-	-	-
Financial liabilities								
Non current								
(i) Lease Liabilities	13	-	-	308.11	308.11	-	-	-
(ii) Borrowings#	14	-	-	-	-	-	-	-
(ii) Other financial liabilities	17	-	-	-	-	-	-	-
Current								
(i) Trade payables*	16	-	-	69.35	69.35	-	-	-
(ii) Lease Liabilities	13	-	-	26.11	26.11	-	-	-
(iii) Borrowings#	14	-	-	24.64	24.64	-	-	-
(iii) Other financial liabilities	17	-	-	-	-	-	-	-
-Dividend Payable*		-	-	23.92	23.92	-	-	-
-Advance from customer*		-	-	-	-	-	-	-
-Capital creditors *		-	-	0.31	0.31	-	-	-
-Employee related payables *		-	-	12.06	12.06	-	-	-
-Interest payable*		-	-	2.02	2.02	-	-	-
Total		-	-	466.52	466.52	-	-	-

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

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

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

There has been no transfer between level 1, level 2 and level 3 for the years ended 31 March 2026 and 31 March 2025.



Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

-Fair value of financial instruments using discounted cash flows.

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team performs valuation either internally or externally through valuers and reports directly to the Senior Management. Discussions on valuation and results are held between the Senior Management and valuation team at least once every quarter in line with the Company's quarterly reporting periods.

b. Financial risk management

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

- Credit risk ;
- Liquidity risk ;
- Market Risk - Foreign Currency ; and
- Market Risk - Interest Rate

Risk Management Framework

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

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

The Risk management committee oversees how management monitors compliance with Company's risk management policies and procedures and reviews the adequacy of the risk

i. Credit risk

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

Particulars	As at	As at
	31 March 2026	31 March 2025
(i) Trade receivables	7.82	8.54
(ii) Cash and cash equivalents	77.34	128.71
(iii) Other financial assets (current and non-current)	24.24	11.08

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk on cash and cash equivalents and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. The loans primarily represents security deposits given to lessors for premises taken on lease. Such deposits will be returned to the Company on vacation of the premises or termination of the agreement whichever is earlier.

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

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India and Nepal. Trade receivables also includes receivables from credit card companies which are realisable within fortnightly. The Company does monitor the economic environment in which it operates. The Company manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

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

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

Particulars	Gross Carrying Amount	
	As at	As at
	31 March 2026	31 March 2025
Not due	-	-
1-180 days past due *	7.82	8.54
	7.82	8.54

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

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to manage liquidity is to have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash and cash equivalents of ₹ 78.28 (31 March 2025 : ₹ 128.71), anticipated future internally generated funds from operations and its fully available, and other current assets (financial and non financial) of ₹ 71.96 (31 March 2025 : ₹ 65.29) will enable it to meet its future known obligations in the ordinary course of business.

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

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.



Exposure to liquidity risk

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

As on 31 March 2026		Contractual cash flows				
Particulars	Carrying amount	Less than 6 Months	Between 6 Months and 1 year	Between 1 and 5 years	Greater than 5 years	Total
Lease liability including current portion	390.09	38.74	38.74	299.12	300.30	676.90
Trade payables	79.50	79.50	-	-	-	79.50
Capital Creditors	1.11	1.11	-	-	-	1.11
Employee related payables	14.15	14.15	-	-	-	14.15
Other financial liabilities	1.40	1.40	-	-	-	1.40
	486.25	134.90	38.74	299.12	300.30	773.06

As at 31 March 2025		Contractual cash flows				
Particulars	Carrying amount	Less than 6 Months	Between 6 Months and 1 year	Between 1 and 5 years	Greater than 5 years	Total
Borrowings including current portion	24.64	-	24.64	-	-	24.64
Lease liability including current portion	334.22	30.51	30.51	258.13	224.38	543.53
Trade payables	69.35	69.35	-	-	-	69.35
Capital Creditors	0.31	0.31	-	-	-	0.31
Employee related payables	12.06	12.06	-	-	-	12.06
Other financial liabilities	25.94	25.97	-	-	-	25.97
	466.51	138.20	55.15	258.13	224.38	675.86

(iii) Market risk

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

A. Interest rate risk

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

Exposure to interest rate risk

The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Variable - rate instruments

	As at 31 March 2026	As at 31 March 2025
Term loan	-	-

Interest rate sensitivity analysis

The following table illustrates the sensitivity of profit or loss and other equity to a reasonably possible change in interest rates of +/- 1%. All other variables are held constant.

Change in interest rate on loans from banks (Variable - rate instruments)	Increase by 1%	Decrease by 1%
Increase / (decrease) in profit or loss and other equity for the year ended 31 March 2026	-	-
Increase / (decrease) in profit or loss and other equity for the year ended 31 March 2025	-	-

B. Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

Exposure to Foreign currency risk

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at 31 March 2026 and 31 March 2025 are as below:

Particulars	As on 31 March 2026		As at 31 March 2025	
	Amount (in foreign currency)	Amount (in INR)	Amount (in foreign currency)	Amount (in INR)
Financial Assets				
Other receivables	USD 0.05	4.86	0.01	1.25
Total	0.05	4.86	0.01	1.25
Financial Liabilities				
Trade payables	USD 0.25	24.14	0.22	19.13
Total	0.25	24.14	0.22	19.13

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupees against below currencies as at 31 March 2026 (previous year ending as on 31 March 2025) would have affected the measurement of financial instruments denominated in foreign currency and affected profit or loss and other equity by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or Loss for the year ended 31 March 2026		Profit or Loss for the year ended 31 March 2025	
	Gain/(Loss) on Appreciation	Gain/(Loss) on Depreciation	Gain/(Loss) on Appreciation	Gain/(Loss) on Depreciation
1% depreciation / appreciation in Indian Rupees against following foreign currencies: USD	(0.19)	0.19	(0.18)	0.18

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



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29. Leases

A. Leases where the Company is a lessee

The Company leases several assets including buildings for food outlets and warehouse. Lease payments are generally fixed or are linked to revenue with minimum guarantee.

Lease payments are generally fixed or are linked to revenue with minimum guarantees.

i. Right-of-use asset

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented separately as Right of use assets as summarized below:

	Buildings
Recognised as at 1 April 2024 (refer note 3B)	315.79
Additions during the year	(28.85)
Depreciation and impairment for the year	(36.40)
Closing balance as at 31 March 2025	250.54
Additions/adjustment during the year	84.53
Depreciation and impairment for the year	(37.71)
Closing balance as at 31 March 2026	297.36

ii. Lease liabilities

Lease liability included in balance sheet as on 31 March 2026 and 31 March 2025	As at 31 March 2026	As at 31 March 2025
Current	33.97	26.11
Non current	356.12	308.11

Note: Refer note 28 for maturity analysis of lease liabilities.

iii. Amounts recognised in the statement of profit or loss

	Note	For the year ended 31 March 2026	For the year ended 31 March 2025
Depreciation	24	37.30	34.44
Impairment	24B	0.41	1.96
Interest on lease liabilities	23	41.35	37.39
Gain on termination of leases	20	-	(2.12)
Expense relating to variable lease payments not included in the measurement of the lease liability	25	8.48	6.27
Net impact on statement of profit and loss		87.54	77.94

iv. Amounts recognised in the cash flow statement

	For the year ended 31 March 2026	For the year ended 31 March 2025
Payment for finance cost	41.35	37.39
Principal repayments	25.40	22.02
Total cash outflows	66.75	59.41

v. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

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Devyani International Nepal Private Limited

Notes forming part of the financial statements for the year ended 31 March 2026

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

30. Related party disclosures**(I) List of related parties and nature of relationship where control exists:****Ultimate Controlling Party:**

RJ Corp Limited

Holding Company :

Devyani International Limited

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

Devyani International Limited

Other related parties - Entities which are joint ventures or subsidiaries or where control/significant influence exists of parties as given in (I) and (II) above :

Varun Beverage Nepal Private Limited

(III) Transactions with related parties during the year ended and

	Parent Company		Enterprises having significant influence	
	For the year ended 31 March 2026	For the year ended 31 March 2025	For the year ended 31 March 2026	For the year ended 31 March 2025
Interest paid on preference shares				
Devyani International Limited	0.56	1.25	-	-
Dividend paid on equity shares				
Devyani International Limited	-	25.18	-	-
Purchase of Fixed Assets				
Devyani International Limited	2.88	2.78	-	-
Purchase of goods				
Devyani International Limited	17.95	16.94	-	-
Varun Beverage Nepal Private Limited	-	-	15.54	13.21
Commission Income				
Varun Beverage Nepal Private Limited	-	-	0.01	1.04
Expenses paid by other party on behalf of the company				
Devyani International Limited	0.02	-	-	-
Trade / Others payable				
Devyani International Limited	4.12	27.33	-	-
Varun Beverage Nepal Private Limited	-	-	0.25	0.40

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



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

	As at 31 March 2026	As at 31 March 2025
Contingent liabilities:		
(a) Claims against the Company not acknowledged as debts:-		
- Claims made by Sales tax authorities	5.39	5.39
- Claims made by Income tax authorities	14.87	14.87
(b) Guarantee in favor of Custom Department for EXIM code	-	0.19
(c) Others		
Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-



32. Employee benefits

Defined contribution plans

An amount of ₹ 3.04 (31 March 2025: ₹ 2.36) has been recognised as an expense in respect of the Company's contribution to Employee's Provident Fund and Social Security Fund (SSF) deposited with the relevant authorities and has been charged to the Statement of Profit and Loss.

Defined benefit plans

As per the provision of new Labor Act enacted and effective from 4 September 2017, gratuity plan has been converted into contribution plan from defined benefit plan. Further the act specifies that the amount of contribution needs 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 17 July 2019.

The company has shown the gratuity payable amounting to ₹ 2.20 as on 16 July 2019 as per old labor act 1992 under other financial liabilities, and the same has not been deposited under any approved fund. The company has been paying this gratuity amount to the employees who have left the company and the balance payable amount as on 31 March 2026 is ₹ .81 (31 March 2025: ₹ .87).

The following table sets out the status of the gratuity plan as required under Ind AS 19 - Employee Benefits representing accrued liability till 16 July 2019:

i. Changes in present value of defined benefit obligation:

Particulars	As at 31 March 2026	As at 31 March 2025
Present value of obligation as at beginning of the year	0.87	1.09
Benefits paid	(0.06)	(0.22)
Present value of obligation as at end of year	0.81	0.87

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

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Employee benefit expenses:		
(a) Current service cost	-	-
(b) Interest cost	-	-
	-	-

(b) Remeasurements recognised in other comprehensive income

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Actuarial gain/(loss) on defined benefit obligation	-	-
	-	-
Expense recognised in the Statement of Profit and Loss	-	-

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

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Present value of obligation as at the end of the year	0.81	0.87
Present value of obligation as at the beginning of the year	(0.87)	(1.09)
Benefits paid	0.06	0.22
Exchange fluctuation on translation	-	-
Expenses recognised in the statement of Profit or Loss	-	-

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

Particulars	Less than a year	Between one to two years	Between two to five years	Over 5 years
31 March 2026	0.81	-	-	-
31 March 2025	0.87	-	-	-

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

Particulars	As at 31 March 2026	As at 31 March 2025
Current liability (amount due within one year)	0.81	0.87
Non-current liability (amount due over one year)	-	-
	0.81	0.87



Devyani International Nepal Private Limited
Notes forming part of the financial statements for the year ended 31 March 2026
(₹ in millions, except for share data and if otherwise stated)
33. Financial ratios

Ratio	Measurement unit	Numerator	Denominator	As at 31 March 2026	As at 31 March 2025	Change	Remarks
				Ratio	Ratio		
Current ratio	Times	Current assets	Current liabilities	1.12	1.18	-5.07%	Variation less than 25%
Debt-equity ratio	Times	Total debt [Non-current borrowings + Current borrowings]	Total equity	-	0.10	-100.00%	Due to redemption of preference share

Debt service coverage ratio	Measurement unit	Numerator	Denominator	For the year ended 31 March 2025	For the year ended 31 March 2024	Change	Remarks
				Ratio	Ratio		
Trade receivables turnover ratio	Times	Revenue from operations	Trade receivables	101.82	75.72	34.46%	Note B below
Trade payables turnover ratio	Times	Purchases + other expenses (excluding non cash expenses)	Average trade payables [(opening trade payables + closing trade payables) / 2]	6.12	6.22	-1.70%	Variation less than 25%
Net capital turnover ratio	Times	Revenue from operations	Working capital [Current assets - Current liabilities]	47.61	21.78	118.58%	Note C below
Net profit ratio	Percentage	Profit after tax	Revenue from operations	8.79%	6.60%	33.11%	Note A below
Return on capital employed	Percentage	Earnings before interest and taxes	Capital employed [Total assets - Current liabilities]	20.12%	17.68%	13.83%	Variation less than 25%
Return on investment	Percentage	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Notes:

A. An increase in ratio is due to decrease in EBITDA and net profit during the current year.

B. An increase in trade receivables turnover ratio is mainly due to faster collection of receivables driven by improved credit management and higher efficiency in converting sales into cash.

C. An Increase in the ratio is attributable to the decrease in working capital during the current period viz a viz the previous period.

(This space has been intentionally left blank)


34. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM is considered to be the Board of Directors who make strategic decisions and is responsible for allocating resources and assessing the financial performance of the operating segments.

As the Company's business activity primarily falls within a single business and geographical segment i.e. food and beverages, thus there are no additional disclosures to be provided under Ind AS 108 - "Operating Segments". The CODM considers that the various goods and services provided by the Company constitutes single business segment.

35. Capital management

The Company's objective for capital management is to maximize shareholder's value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plan and other strategic investment plans. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to all its shareholders. The Company's funding requirements are met through equity infusions, internal accruals and a combination of both long-term and short-term borrowings. Majorly Company raise long term loans for its expansion requirements and based on the working capital requirement utilise the working capital facilities. The Company monitors capital on the basis of consolidated total debt to consolidated total equity on a periodic basis.

36. Capitalisation of expenditure incurred during construction period (refer note 3A & 4)

The Company has commenced certain quick service restaurants (stores) during the period and year ended 31 March 2026 and 31 March 2025 respectively. Certain directly attributable costs are incurred on commissioning of the quick service restaurants up to the date of commercial operations. These costs have been apportioned to certain property, plant and equipment on reasonable basis. Details of such costs capitalised is as under:-

Particulars	For the period ended 31 March 2026	For the year ended 31 March 2025
Employee benefits expense	-	-
Other expenses (includes rent, freight and architect fees etc.)	-	-
	-	-

37. Impairment of assets

In accordance with Ind AS 36 "Impairment of Assets", the Company has identified individual quick service restaurant (store) as a separate cash generating unit (CGU) for the purpose of impairment assessment. Management periodically assesses whether there is an indication that a CGU may be impaired using a benchmark of two-year's history of operating losses or marginal profits for a store, which is even used by the management for the purpose of their internal reviews. In view of higher operating costs or decline in projected sales growth, certain stores have been impaired in the current and previous years. Based on the results of impairment testing for these stores in the current year, the property, plant and equipment, right-of-use assets and other intangible assets, carrying value of these stores aggregating INR 3.35 (net of opening provision for impairment of INR 2.81) (31 March 2025: INR 2.81 net of opening impairment provision of INR NIL) have been reduced to the recoverable amount aggregating to INR NIL (31 March 2025: INR NIL) by way of impairment charge of INR .54 (31 March 2025: INR 2.81). Recoverable amount is value in use of these stores computed based upon projected cash flows from operations with sales growth of 0 to 5% p.a. (31 March 2025: 0 to 5% p.a.), over balance lease term, discounted at rate (determined by an independent registered valuer) of 23.9% p.a. (31 March 2025: 8.5% p.a.). Carrying value of a store includes property, plant and equipment, intangible assets used at a store, right-of-use assets and allocated corporate assets. Further carrying value and recoverable value of each store is calculated net of lease liabilities, because these specific cash store are separately identifiable.

38. Additional regulatory information not disclosed elsewhere in the financial information

- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

39. The amounts of previous reported period have been regrouped/reclassified wherever considered necessary in order to comply with financial reporting requirements.

As per our report of even date attached

For O P Bagla & Co LLP
 Chartered Accountants
 Firm's Registration No.: 000018/N/IN/500091

Kripa Shankar Shukla
 Partner
 Membership No.: 515763

Place: Gurugram
 Date: 02-05-2026



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

Sanjeev Arora
 Sanjeev Arora
 Director
 DIN: 00009288

