



EYES ON TOMORROW

ANNUAL REPORT 2021-22



2022 - 1500TH DOMINO'S INDIA STORE | POPEYES INDIA

2020 - EKDUM! | CHEFBOS

2019 - DOMINO'S BANGLADESH | HONG'S KITCHEN

2012 - DUNKIN' INDIA

2011 - DOMINO'S SRILANKA

2010 - IPO LAUNCHED

2001 - 100TH DOMINO'S INDIA STORE

1996 - DOMINO'S INDIA



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Forward-Looking Statement

This Report contains forward-looking statements, which may be identified by their use of words like ‘plans’, ‘expects’, ‘will’, ‘anticipates’, ‘believes’, ‘intends’, ‘projects’, ‘estimates’ or other words of similar meaning. All statements that address expectations, projections about the future, including, but not limited to, statements about the Company’s strategy for growth, product development, market position, expenditures and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company’s actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events. The Company has sourced the industry information from the publicly available resources and has not verified the information independently. The illustrations used in the report are meant for representational purposes only.

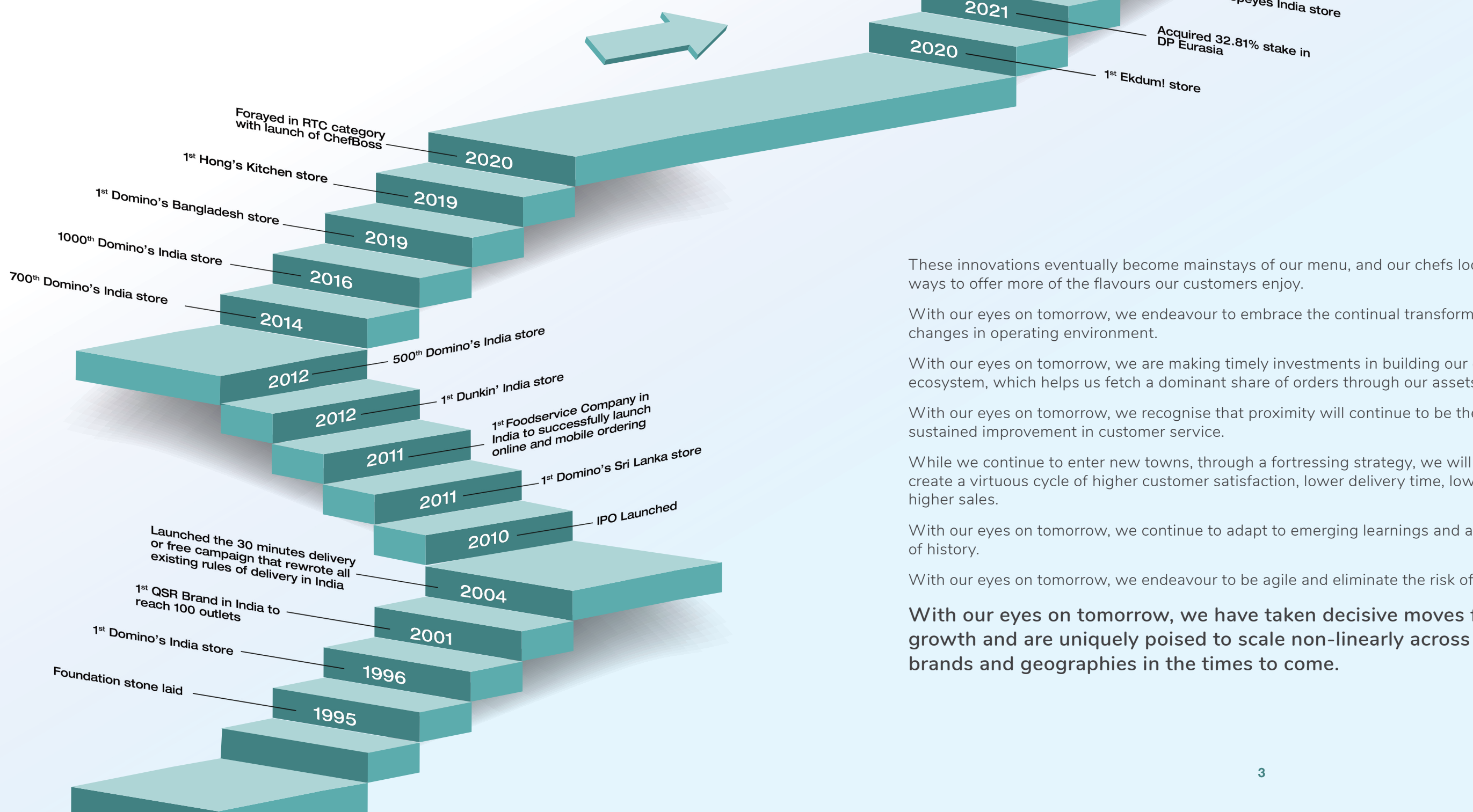
Eyes on Tomorrow

With our eyes on tomorrow, we continuously strive to provide unmatched service to our customers.

With our eyes on tomorrow, we think critically about the strategic priorities needed to endure and lead the industry.

With our eyes on tomorrow, we have built a network of state-of-the-art commissaries and distribution centres that helps us deliver the highest quality food at a low cost.

With our eyes on tomorrow, we continue to deliver menu innovations to offer our customers unique menu items and ingredients tailored to local tastes.



These innovations eventually become mainstays of our menu, and our chefs look out for new ways to offer more of the flavours our customers enjoy.

With our eyes on tomorrow, we endeavour to embrace the continual transformation with the changes in operating environment.

With our eyes on tomorrow, we are making timely investments in building our own digital ecosystem, which helps us fetch a dominant share of orders through our assets.

With our eyes on tomorrow, we recognise that proximity will continue to be the prime driver for sustained improvement in customer service.

While we continue to enter new towns, through a fortressing strategy, we will continue to create a virtuous cycle of higher customer satisfaction, lower delivery time, lower cost and higher sales.

With our eyes on tomorrow, we continue to adapt to emerging learnings and act on the lessons of history.

With our eyes on tomorrow, we endeavour to be agile and eliminate the risk of complacency.

With our eyes on tomorrow, we have taken decisive moves for future growth and are uniquely poised to scale non-linearly across multiple brands and geographies in the times to come.

Value Chain



Value Chain

Sourcing



- Improved cattle productivity and milk quality by supporting over 25,000 dairy farmers. Farmers are provided with extensive training and veterinary support which enhances their cattle's productivity through improved feeding, breeding and management practices.
- 100% implementation of all three planned phases of the Antibiotic and Poultry Health Management Policy.
- A panel of five veterinarians oversee implementation of the Antibiotic Policy, maintain quality of raw chicken and ensure farm traceability.

- Authentic ingredients sourced from location of origin –
 - Oregano from Turkey
 - Basil from Egypt
 - IPM (Integrated Pest Management) chili from Andhra Pradesh (India)
- 100% traceable chicken, oregano, basil and chili from origin farms
- Pizza sauce is made of 100% California Tomatoes
- The Company is a member of I-SPOC (Sustainable Palm Oil Coalition of India), as a committed stakeholder in the palm oil supply chain in India.

Business Partners and Vendor Plants



- The business partners' production facilities are FSMS (Food Safety Management Systems) certified.
- The Company's strong regional teams of QA auditors ensure adherence to quality and food safety systems.

- Production of critical ingredients is done under QA (Quality Assurance) supervision.
- Validation of quality systems at vendor plants is undertaken by unannounced QA auditors.
- Capacity building is done of more than 100 MSME suppliers.

Commissaries and Distribution Centres



Emissions

- 1,185 tCO₂ of emissions avoided through the use of Solar PV.

Energy Management

- ~12% of electricity demand met by Solar PV.
- Solar Heating Plants are installed across all commissaries.

- Commissaries are equipped with Energy Management System(EMS) for real-time monitoring to reduce energy consumption.

Waste Management and Initiatives Towards Circular Economy

- 23% waste generated across all commissaries is recycled.
- Mumbai and Greater Noida commissaries are zero water discharge facilities.
- Used vegetable oil is recycled for biodiesel production at Bengaluru and Greater Noida commissaries.



Training

- 3,330 hours of Safety trainings provided.
- Content across 3,000+ topics for employee learning and individual skill development.
- Over 1,100 shift managers were trained in advanced catering as per FSSAI's Food Safety Training and Certification.
- 100% employees are signatories to Code of Conduct trainings.

Food Handling



- Transporting all food materials in controlled temperature conditions.
- Monitoring temperature during logistics from vendor to our plants and stores using GPS and IOT.

Stores



Energy

- Energy Management Systems installed across all stores.

Phased out plastic cutlery

- All plastic cutlery has been replaced in the last two years with wooden and PLA materials.

Training

- Over 27,000 people trained under our guest service programme – Atithi Devo Bhava.
- Implemented organisation-wide operation capability development programme that covers over 1,500 employees.
- Over 10,000 street food vendors across 16 cities trained on food safety practices.
- Adopted nine Street Food Hubs to develop them as Clean Street Food Hubs.

Quality Assurance and Safety

- Produced 100% dough and dessert items in our own state-of-the-art facilities.
- Implemented end-to-end automated safety management system.
- Deployed hazard identification tools.
- Conducted regular health and wellbeing sessions.

- Ensuring adherence to food safety protocols, truck hygiene and temperature compliance through a dedicated fleet.
- Adding CNG trucks in our fleet to reduce our emissions.
- 100% vehicles used in logistics for Hong's Kitchen and Ekdam vehicles are powered by CNG.

Transparency

- Open kitchen for enhanced transparency.
- Full adherence to menu labelling norms.

Eat Right

- Domino's uses fresh centrally - produced dough using the standard global Domino's recipe.
- The pizza dough is also differentiated with added nutrients like Iron, Folic Acid and Vitamin B12.
- Introduced whole wheat and multigrain thin crust pizza.
- The thin crust base is made of 100% wheat flour.
- Introduced India's first plant-based protein pizza.
- Domino's uses only 100% real mozzarella cheese prepared from pure milk.
- Domino's serve only antibiotic-free chicken across all stores.

Diversity and Inclusion

- Launched 17 all-women Domino's stores in India.



Delivery Partners

- Zero Contact Delivery pioneers – the products are untouched by human hands right from preparation to delivery.

Emissions

- 100% e-bikes for entire fleet of Popeyes.
- With 3,822 e-bikes, the share of EVs in Domino's fleet is now over 19%.



Customers

- Right from the farms to the customers, all the processes and efforts are aimed at serving nothing but the tastiest, healthiest and safest food offerings.

Customer Feedback

- Customer satisfaction is tracked through Net Promoter Score and corrective actions are taken to continually improve customer experience.



Head Office

Digital and Data Team

- The Company follows well – known cyber – security management frameworks such as NIST and is ISO 27001 certified.
- The cyber security team monitors the entire digital ecosystem 24x7 to respond to cyber threats.

Continuous Menu Innovation

- Dedicated Chef team continuously delivers menu innovations to offer our customers unique menu items and ingredients tailored to local tastes.
- Undertaken 'Eat Right' pledge, working on healthier choices for consumers by also targeting reduction in fat and salt.

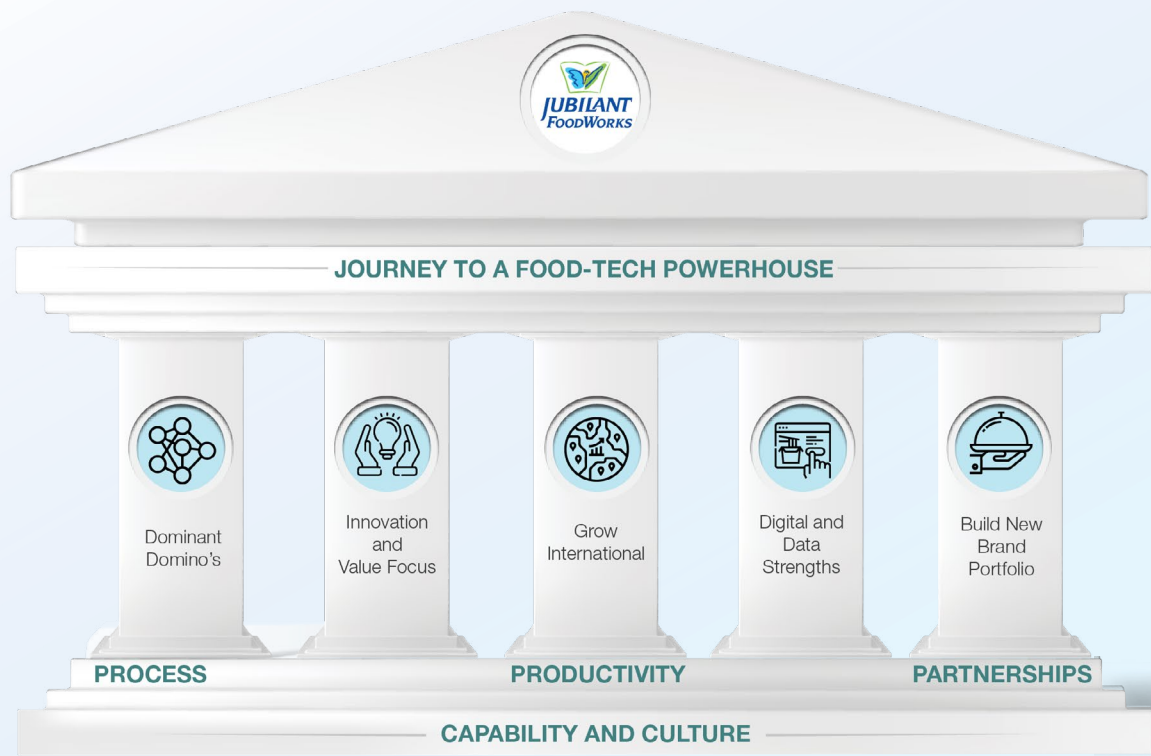


Sustainable Packaging and Cutlery

- 100% recyclable Pizza box
- Usage of biodegradable cutlery(wooden spoons, PLA straws and paper cups)

- FSC certified packaging

Strategy for Profitable Growth



Our strategy for profitable growth stands on a foundation of five pillars:



Dominant Domino's

In Domino's, we have a very powerful brand - that will further grow and cement its presence in the market. This will be through entering new towns and going deeper into existing cities through a fortressing strategy.

we will use our knowledge and best practices to rapidly scale up in these markets through our wholly owned subsidiaries.



Digital and Data Strengths

We recognise that technology must permeate the entire breadth of the organisation to allow us to be agile and truly customer-centric. Powering this strategy will be our growing digital and data strengths.



Innovation and Value Focus

We are committed to providing our customers with the best quality products and value, made possible by best-in-class execution. We have increased our focus on innovation to bring more variety and excitement into the proposition and strengthen our operations.



Building New Brand Portfolio

We are investing in building a portfolio of brands across multiple cuisines with an aim to own a much larger share of occasions and create new profitable growth vectors for our stakeholders.



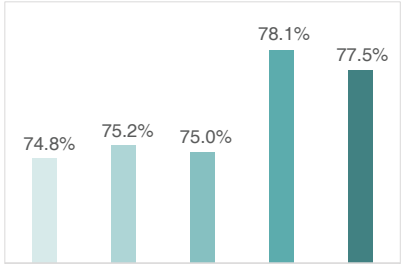
Grow International

We would also grow our business profitably in the international markets. Bangladesh and Sri Lanka have exciting potential, and

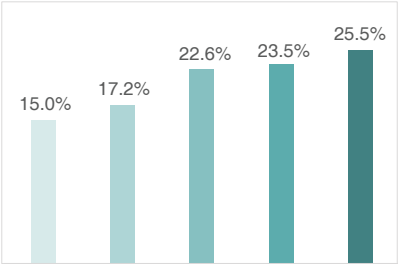
Key Figures

Key Ratios

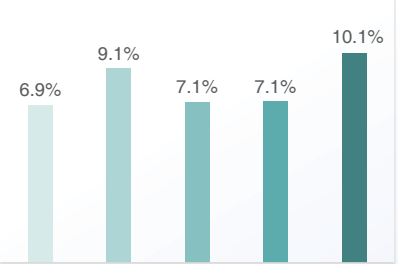
Gross Margin



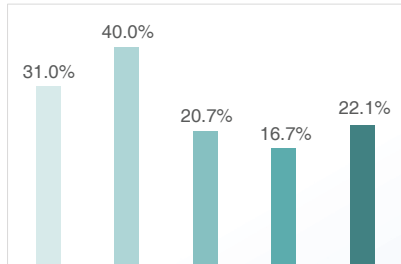
EBITDA Margin



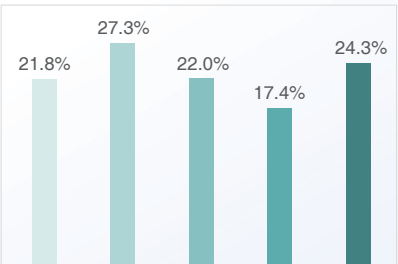
PAT Margin



ROCE

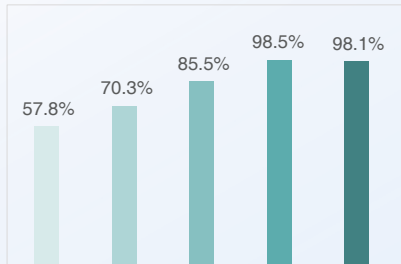


ROE

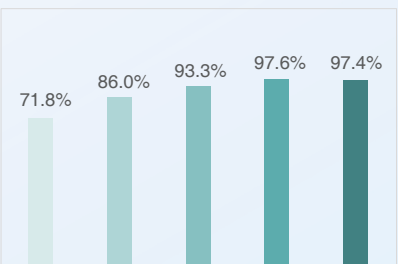


Domino's India Digital KPIs

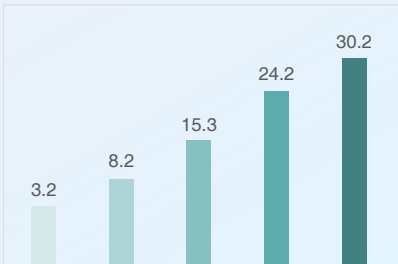
OLO Contribution to Delivery Sales



Mobile Ordering sales contribution to overall OLO



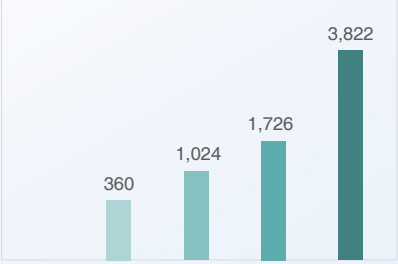
App Downloads in mn



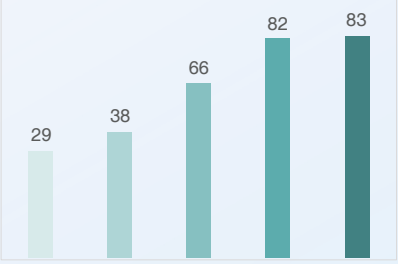
FY18 FY19 FY20 FY21 FY22

Sustainability KPIs

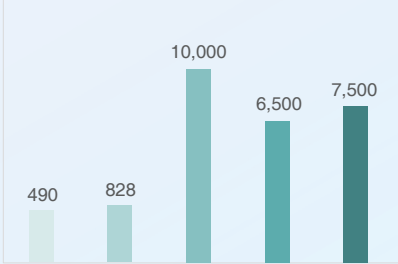
EVs in Delivery Fleet



CSR spend



Farmers Development Programme



FY18 FY19 FY20 FY21 FY22

Financial Performance Summary in Rs. mn

Financial Performance Summary in Rs. mn	FY18	FY19	FY20	FY21	FY22
Revenue from Operations	29,804.4	35,306.7	38,857.8	32,688.7	43,311.0
Gross Profit	22,290.1	26,547.7	29,151.2	25,539.0	33,568.7
EBITDA	4,463.9	6,077.7	8,770.8	7,665.6	11,046.1
PBT	3,132.4	4,944.8	3,935.0	3,091.0	5,819.6
PAT	2,064.0	3,228.0	2,754.5	2,336.9	4,375.2
EPS in Rs.	3.1	4.9	4.2	3.5	6.6
Dividend	329.9	659.8	791.8	791.8	791.8
Operating Cash Flow	4,150.1	4,338.8	7,320.1	7,470.2	9,250.5
Free Cash Flow	3,009.8	2,743.4	4,492.4	5,099.2	4,804.2

Note:

- The figures for FY20 onwards are not comparable with earlier years due to the applicability of Ind-AS 116.
- EPS is adjusted for stock split and stock bonus issuance for comparability.

Chairmen’s Message

Dear Fellow Shareholders,

More than two years have passed since the onset of the Covid-19 pandemic, but the uncertainties are galore. Despite the growing pace of vaccination, successive waves of new virulent infections continue to ripple worldwide. The supply bottlenecks and soaring food and energy costs further exacerbated by rising geopolitical tensions have paved the way to persistent inflationary impulses world-over, including our key markets.

Undoubtedly, Covid has upended the world as we knew it. Decades of behaviour change have compressed into a few months. This led to an outpouring of innovation, particularly in the Foodservice industry, as people, businesses, and institutions found new and creative ways of dealing with the challenges.

Foodservices Industry Landscape

According to Euromonitor, the Indian Foodservices market in 2021 valued at \$44 bn rebounded sharply from the low of \$32 bn encountered in 2020. However, it remains below the pre-pandemic level of \$58 bn registered in 2019.

At Jubilant FoodWorks, while navigating swiftly through the then prevalent short-term issues, the emphasis was placed on setting the business on a sustainable, profitable growth trajectory with our ‘Eyes on Tomorrow’. This was achieved while factoring in the four long-term imperatives accelerated by the pandemic in our strategic decision-making process.

- ▶ We see an increase in the pace of penetration growth. During the pandemic, the preference to stay indoors eventually accelerated the consumer shift towards online food ordering. It has helped make non-home food much more acceptable outside special occasions, especially in the smaller towns.
- ▶ While Dine-In and On-Premise consumption will return fully, we expect the Delivery and Takeaway channel adoption to remain elevated.
- ▶ Technology and Digital will touch all parts of the business – both customer-facing and back-end - and will become an increasingly important source of competitive advantage. Consumers will be category-agnostic when it comes to expectations of service.
- ▶ Within our category, there will be an accelerated structural shift in favour of the organised sector and within that the big, established, credible brands will be preferred. Consumers we know are increasingly choosing the reassurance and safety of trusted brands.

The one concurrent theme across all these structural trends in the Foodservice industry is that your Company will be at the forefront of leading these changes.

Performance FY22

We are enthused to share that we have set an all-time revenue, profitability and network expansion record in FY22.

Revenue from Operations of Rs. 43,311 million increased by 32.5%. The surge was driven by Domino’s like-for-like growth of 26.4%. EBITDA of Rs. 11,046 million increased by 44.1%. EBITDA margin at record 25.5% increased by 205 bps. Profit after Tax of Rs. 4,375 million increased by 87.2%. PAT margin of 10.1% increased by 295 bps.

Our track record of generating strong free cash flow continued in the year. The Board of Directors of the Company has recommended a dividend of Rs. 1.2 per equity share of the face value of Rs. 2 each amounting to Rs. 791.8 million, subject to shareholders’ approval at the Annual General Meeting.

In addition to the remarkable financial and operational progress registered in our business, we have made significant strides in investing in avenues that will become additional growth drivers for the Company and create substantial value for all our stakeholders. All this was done by following the blueprint of our five-pillared strategy.

Standing:
Mr. Hari S. Bhartia
Co-Chairman and Director

Sitting:
Mr. Shyam S. Bhartia
Chairman and Director

Our five pillared strategy

The first of these is Dominant Dominos.

In Domino’s, we have a very powerful brand. During the year, we crossed the milestone of opening our 1500th store. You will be happy to note that India became the first market for Domino’s outside the USA to achieve this feat.

Achievement of this magnitude requires perseverance and dedication, and we would like to put on record our sincere appreciation for all our stakeholders who have helped us achieve this unique feat.

We are also happy to share that we have received the prestigious Gold Franny Award for the fourth consecutive year. This prestigious recognition of your Company by Domino’s Pizza Inc. is a testament to our exceptional operational performance, store growth and organisational dedication.

We added record 230 new stores and entered 48 new cities in FY22. Increasing our reach is helping us reduce our average delivery time. Now more than 70% of our delivery orders are being delivered under 20 minutes. It’s no surprise that our customer satisfaction scores, as a result, grew to highest-ever levels and are now best-in-class in the industry.

As stated earlier, we see a clear line of sight to getting to 3,000 stores in the country in the medium term, and we will attempt to achieve this milestone expeditiously. This will be through entering new towns and going deeper into existing cities by successfully executing our fortressing strategy.

Our second strategic pillar is Innovation and Value Focus.

It needs to be recognised that the Indian Foodservice market remains very shallow and narrow given its size and potential. The unorganised segment comprising street stalls and eateries constitutes roughly 66% of the overall market by value. Therefore our constant endeavour is to improve our value-for-money quotient continuously. Through improvement in process efficiencies and other cost improvement measures, we can offer high-quality meals at an affordable price and even maintain those value price points on a like-to-like product basis. A case in point is the price of our Every Day Value Offering. It has remained at the same attractive price since its introduction in FY18.

New menu offerings have also aimed to deliver consumers more of what they love. Working in this direction, we introduced an overloaded pizza range to fortify cheese and chicken credentials. We also launched a platform extension for the two most popular categories on our sides – Garlic Bread and Lava cake.

Our next strategic pillar is Grow International.

Both our international markets – Sri Lanka and Bangladesh – performed well despite the challenging operating conditions.

Despite high inflation, Sri Lanka’s business delivered its highest ever system sales growth of 80.9%. The pace of store expansion was accelerated with the opening of 9 new stores, taking the total tally to 35 stores. Focussed efforts through adequate digital ordering interventions resulted in the highest ever online ordering contribution to delivery sales of 60.4%.

The performance of Domino’s Pizza in Bangladesh was encouraging. Despite being a dine-in-centric business, over the last two years, efforts centred around growing the delivery business. The system sales growth of 50.0% was on the back of delivery growth of 65.9%. Four new store openings increased the store count to nine in Bangladesh. We have prioritised investment in this important growth-market by fully acquiring the Bangladesh subsidiary. This will help us rapidly realise the vast potential of QSR in the currently underpenetrated market.

Our fourth strategic pillar is Building Digital and Data Strengths.

The mobile ordering contribution to online order sales for us jumped from 38% at the end of FY16 to 97% by FY22. There are two elements contributing to this jump shift. Firstly, the consumers by themselves are embracing mobile

commerce at a rapid pace. Secondly, we are working in the background to make the switch to our assets smoother, personalised and more intuitive. Domino’s app continues to be the highest-rated app in India within Foodservice on both Playstore and Appstore. This is a testament to constant improvements in our digital assets to delight our consumers in their digital ordering journey. It is also heartening to note that a dominant share of orders comes through our owned assets.

We also recognise that digital and data strengths need to permeate the entire breadth of the organisation to allow us to be agile and genuinely customer-centric. As a result, we continue to make requisite investments, including moving to the Cloud architecture, building a Data Lake, creating dedicated Product, Engineering and Data teams and upgrading our backend platforms.

Our fifth strategic pillar is Building New Brand Portfolio.

We firmly believe that the Foodservice category has entered an exciting period of sustained growth and market making. We will see a significant increase in the formation of big brands across multiple cuisines and various categories.

In the journey of supporting the growth of Domino’s, we have invested in key shared competencies and curated organisation-wide learnings which lend support to the entire portfolio of brands. These shared competencies are resilient and robust pan-India supply chain, digital and data capabilities, business development capabilities and other support functions.

This year we introduced the iconic brand Popeyes to the chicken-loving Indian consumers with the launch of flagship restaurants in Bengaluru. Chicken is one of India’s largest and fastest-growing categories and is expected to proliferate in years to come. Popeyes addition strategically complements our portfolio. We are confident that it will help us build another profitable, sizeable, scalable business. In the medium term, we see a potential of opening around 250-300 Popeyes stores.

New Leadership

We have entered the new fiscal year with strong growth momentum. The five strategic pillars will continue to guide us in the years ahead and have a positive and demonstrable impact on performance.

In our eventful journey, our former CEO & WTD, Mr. Pratik R. Pota has played a critical role and has been instrumental in laying a strong foundation for the Company to progress towards a vision of becoming a multi-brand, multi-country food-tech powerhouse. On behalf of the board and all our employees, we wish him success in his new endeavours.

Effective September 5, 2022, Mr. Sameer Khetarpal will spearhead the organisation as CEO & MD. The Board is confident that Mr. Khetarpal’s strengths in building digital-first businesses in related spaces will provide the necessary leadership to our firm. Throughout his career, he has been driven by a passion for serving customers and building businesses by leveraging technology. We look forward to welcoming him on board and wish him luck as he takes the Company to new heights of success.

It is said that “Without trust, you have nothing. With it, you can do great things.” Your Company has been fostering a culture of trust while transferring it to its consumers through quality, hygienic and delicious food offerings.

With every step we take, through your trust and support, our eyes will continue to be on building a brighter and more sustainable tomorrow.

Shyam S. Bhartia

Shyam S. Bhartia

Hari S. Bhartia

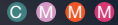
Hari S. Bhartia

Board of Directors

Mr. Vikram Singh Mehta
Independent Director



Mr. Ashwani Windlass
Independent Director



Mr. Berjis Minoo Desai
Independent Director



Ms. Aashti Bhartia
Non Executive Director



Mr. Shamit Bhartia
Non Executive Director



Mr. Pratik R. Pota
CEO and WholtimeDirector

Mr. Abhay Prabhakar Havaladar
Independent Director



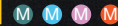
Board Committees (effective as on July 28, 2022)

- Audit Committee
- Nomination, Remuneration and Compensation Committee
- Stakeholders Relationship Committee
- Sustainability and Corporate Social Responsibility Committee
- Risk Management Committee
- Investment Committee
- Regulatory and Finance Committee

Board Composition

- Chairperson
- Member

Ms. Deepa Misra Harris
Independent Director



Mr. Shyam S. Bhartia
Chairman and Director



Mr. Hari S. Bhartia
Co-Chairman and Director



* Mr. Pratik R. Pota resigned as CEO & WTD w.e.f. close of business hours of June 15, 2022