

Spencer's Retail Limited
Financial Statements for the year ended March 31, 2017

To the Members of Spencer's Retail Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Spencer's Retail Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the

S.R. BATLIBOI & Co. LLP

Chartered Accountants

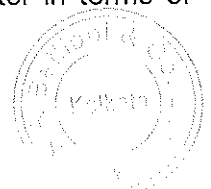
standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;



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- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 22 and Note 33 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in Note 41 to these standalone Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

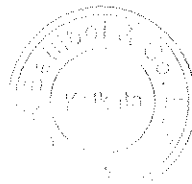

per **Kamal Agarwal**

Partner

Membership Number: 58652

Place of Signature: Kolkata

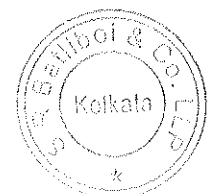
Date: May 16, 2017



ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 OF THE SECTION ON "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

TO THE MEMBERS OF SPENCER'S RETAIL LIMITED

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets were physically verified by the management during the year in accordance with a planned programme of verifying all of them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of investments made have been complied with by the company. There are no loans, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.



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- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products of the Company.
- (vii)(a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs in lakhs)	Period to which the amount relates	Forum where dispute is pending
Various States VAT / CST /Entry Tax Act	Sales tax demand on stock transfers	68.93	2003-04, 2008-09, 2009-10 & 2010-11	Various appellate authorities
	Dispute related to VAT credit / non submission of forms and other documents	873.12	2001-02, 2003-04, 2004-05, 2008-09 to 2014-15	Various appellate authorities
Finance Act 1994	Service Tax demand on concessionaire income	111.19	2007-08 & 2008-09	CESTAT, Chennai
	Service tax demand on availment of Cenvat credit	1,020.96	2006-07 to 2010-11	CESTAT, Chennai



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- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of borrowings to banks and financial institutions. The Company did not have any outstanding dues, towards loans or borrowings, to government and debentures during the year.

- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments. Further, term loans were completely repaid during the year and no amount is outstanding at the year-end.

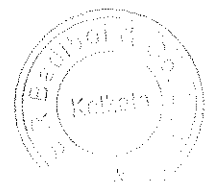
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the conditions specified by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.



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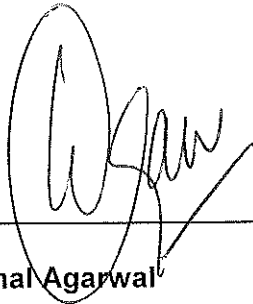
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- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Kamal Agarwal**

Partner

Membership Number: 58652

Place of Signature: Kolkata

Date: May 16, 2017



**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
STANDALONE IND AS FINANCIAL STATEMENTS OF SPENCER'S RETAIL LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143
of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Spencer's Retail Limited ("the Company") as of March 31, 2017, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

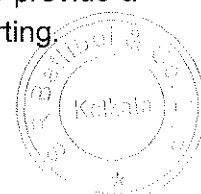
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

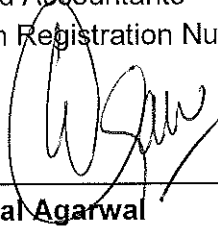
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Kamal Agarwal**

Partner

Membership Number: 58652

Place of Signature: Kolkata

Date: May 16, 2017

SPENCER'S RETAIL LIMITED
Balance sheet as at 31st March 2017

	Notes	31st March 2017 ₹ Lakhs	31st March 2016 ₹ Lakhs	1st April 2015 ₹ Lakhs
ASSETS				
Non- Current Assets				
(a) Property, Plant and Equipment	3.1	16,260.83	16,443.98	16,701.20
(b) Capital Work in Progress		286.21	805.87	1,386.05
(c) Intangible Assets	3.2	680.34	623.31	784.76
(d) Financial Assets				
(i) Investments	4	2,977.67	1,989.49	2,688.35
(ii) Loans and Deposits	5	4,743.97	3,894.31	2,354.92
(iii) Other Financial Assets	6	2,601.84	2,445.10	2,631.10
(e) Non Current Tax Assets (net)		240.60	201.91	146.50
(f) Other Non Financial Assets	7	1,995.18	1,952.53	1,993.44
(A)		29,786.64	28,356.50	28,686.32
Current Assets				
(a) Inventories	8	23,782.37	19,174.51	17,120.76
(b) Financial Assets				
(i) Trade Receivables	9	2,725.03	2,791.53	2,123.39
(ii) Cash and Cash Equivalents	10.1	743.61	418.85	392.42
(iii) Bank Balances other than (ii) above	10.2	-	200.00	-
(iv) Loans and Deposits	11	77.10	304.70	196.21
(v) Other Financial Assets	12	142.20	93.50	156.62
(c) Current Tax Assets (net)		269.05	236.21	221.51
(d) Other Non Financial Assets	13	779.30	768.76	819.19
(B)		28,518.66	23,988.06	21,030.10
TOTAL ASSETS [(A)+(B)]		58,305.30	52,344.56	49,716.42
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	14	29,675.36	29,675.36	24,279.84
(b) Other Equity	15	(9,779.54)	(65,840.66)	(54,489.54)
Total Equity (C)		19,895.82	(36,165.30)	(30,209.70)
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
Borrowings	16	-	17,466.00	23,057.43
(b) Provisions	17	805.60	745.43	647.47
(D)		805.60	18,211.43	23,704.90
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	1,600.00	29,462.70	22,500.00
(ii) Trade Payables	19			
- Total outstanding dues of Micro and small enterprises		-	3.30	-
- Total outstanding dues of creditors other than Micro and small enterprises		26,151.04	21,601.37	19,277.78
(iii) Other Financial Liabilities	20	7,508.19	17,223.52	12,415.81
(b) Other Non Financial Liabilities	21	808.48	576.01	651.16
(c) Provisions	22	1,536.17	1,431.53	1,376.47
(E)		37,603.88	70,298.43	56,221.22
TOTAL EQUITY AND LIABILITIES [(C) +(D)+(E)]		58,305.30	52,344.56	49,716.42

Summary of Significant Accounting Policies 2.1

The accompanying notes referred to above form an integral part of the Financial Statements

As per our report of even date

For S.R. Bhatnagar & Co. LLP
Firm Registration No: 301003E/E300005
Chartered Accountants

per Kamal Agarwal
Partner
Membership No 58652



[Signature]
Director

For and on behalf of the Board of Directors

[Signature]
Whole Time Director and Chief Financial Officer

[Signature]
Company Secretary



Place : Kolkata
Date : May 16, 2017

SPENCER'S RETAIL LIMITED

Statement of Profit and Loss for the year ended 31st March 2017

	Notes	2016-17 ₹ Lakhs	2015-16 ₹ Lakhs
Income:			
Revenue from operations	23	2,01,238.23	1,79,649.34
Other income	24	889.03	885.52
Total Income (I)		2,02,127.26	1,80,534.86
Expenses:			
Purchase of traded goods		1,63,629.41	1,44,234.60
Increase in inventories of traded goods	25	(4,592.43)	(2,049.63)
Cost of Raw Materials Consumed	26	781.08	734.94
Employee benefit expenses	27	14,521.46	13,660.23
Other expenses	28	29,497.52	29,235.53
Total (II)		2,03,837.04	1,85,815.67
Earnings before interest, tax, depreciation and amortisation (EBITDA) [(I)-(II)]		(1,709.78)	(5,280.81)
Depreciation and Amortisation	29	3,319.11	3,672.35
Finance costs	30	5,729.33	5,299.08
Loss for the year (III)		(10,758.22)	(14,252.24)
Other Comprehensive Income			
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods			
(a) Net loss on investment in equity shares accounted at fair value		(2,105.73)	(2,944.67)
(b) Remeasurement loss on defined benefit plans		(74.93)	(58.69)
Other Comprehensive Income for the year (IV)		(2,180.66)	(3,003.36)
Total Comprehensive Income for the year [(III)+(IV)]		(12,938.88)	(17,255.60)
Earnings per share- Basic and Diluted (Nominal value ₹10 per share)	31	(3.63)	(5.86)

Summary of Significant Accounting Policies 2.1

The accompanying notes referred to above form an integral part of the Financial Statements

As per our report of even date

For S.R.Batliboi & Co. LLP

Firm Registration No: 301003E/E300005

Chartered Accountants

per Kamal Agarwal
Partner

Membership No 58652



For and on behalf of the Board of Directors

(Signature)

Director

Whole Time Director and
Chief Financial Officer

(Signature)
Company Secretary

Place : Kolkata

Date : May 16,2017



SPENCER'S RETAIL LIMITED

Cash Flow Statement for the year ended 31st March 2017

Notes	2016-17 ₹ Lakhs	2015-16 ₹ Lakhs
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(10,758.22)	(14,252.24)
Non Cash adjustment to reconcile loss before tax to net cash flows :		
Depreciation and Amortisation	3,319.11	3,672.35
Provision for Bad and Doubtful Debts	20.95	-
Rental deposits written off	15.94	193.34
Provision for Doubtful Store Lease Deposits/ Advances	32.78	-
Interest expense (excluding interest cost on actuarial valuation)	3,994.15	3,811.81
Net gain on Sale of Mutual Fund units	(98.46)	(61.46)
Interest Income	(197.37)	(225.42)
Loss on sale/discard of Property, Plant & Equipments	290.54	78.07
Reversal of Decommissioning liability	(2.34)	(4.75)
Provision/(Reversal) for Obsolete stocks	12.28	(15.46)
Provisions no longer required written back	(360.88)	(272.65)
Operating Loss before working capital changes	(3,731.52)	(7,076.41)
Movement in working capital:		
Increase in Trade payables	4,907.25	2,599.54
Increase/ (Decrease) in Other Financial Liabilities	(60.51)	637.32
Increase/ (Decrease) in Non-Financial Liabilities	232.47	(75.15)
Increase in Provisions	79.80	49.02
(Increase)/ Decrease in Trade Receivables	45.55	(668.14)
Increase in Inventories	(4,620.14)	(2,038.29)
(Increase)/ Decrease in Other Financial Assets	(15.43)	69.59
Increase in Loans and Deposits	(189.20)	(488.72)
(Increase)/Decrease in Other Non Financial Assets	223.96	(46.88)
Net cash used in operating activities (A)	(3,127.77)	(7,038.12)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipments, including intangible assets, capital work in progress and capital advances	(2,550.51)	(3,652.75)
Proceeds from Sale of Property, Plant and Equipments	80.57	244.99
Purchase consideration for acquisition of shares	-	(805.81)
Share Application money to Subsidiary Company pending allotment (net)	(481.58)	(1,352.50)
Investment in Subsidiary Company	(3,093.91)	(1,440.00)
Proceeds from sale of Mutual Fund units	39,248.46	17,069.36
Purchase of Mutual Fund units	(39,150.00)	(17,007.90)
Investments in bank deposits (having original maturity of more than three months)	(170.04)	(620.48)
Redemption/maturity of bank deposits (having original maturity of more than three months)	200.00	600.00
Interest received	200.32	225.43
Net cash used in Investing activities (B)	(5,716.69)	(6,739.66)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Application Money pending allotment (net)	69,000.00	11,300.00
Proceeds from long-term borrowings	3,000.00	4,500.00
Repayment of long-term borrowings	(30,799.99)	(5,300.00)
Proceeds/(Repayment) from short-term borrowings (net)	(27,862.70)	6,962.70
Interest paid	(4,168.09)	(3,658.49)
Net Cash Flow from financing activities (C)	9,169.22	13,804.21
Net Increase in Cash and Cash equivalents (A+B+C)	324.76	26.43
Cash and cash equivalents at the beginning of the year	418.85	392.42
Cash and cash equivalents at the end of the year	743.61	418.85
Components of cash and cash equivalents		
Cash in hand		
With banks-on current account	299.01	269.63
Total cash and cash equivalents (refer Note 10.1)	444.60	149.22
	743.61	418.85

Summary of Significant Accounting Policies

2.1

The accompanying notes referred to above form an integral part of the Financial Statements

As per our report of even date

For S.R. Bhatnagar & Co. LLP
Firm/Registration No: 301003E/E300005
Chartered Accountants

per Kamal Agarwal
Partner
Membership No 58652



For and on behalf of the Board of Directors

Director

Whole Time Director and
Chief Financial Officer

Company Secretary



Place : Kolkata
Date : May 16, 2017

A. Equity Share Capital

	No. of Shares	₹ in Lakhs
Equity Shares of ₹ 10 each issued, subscribed and fully paid On 1st April, 2015		
Equity share capital issued during the year	24,27,98,388	24,279.84
Balance at 31st March 2016	5,39,55,197	5,395.52
Equity share capital issued during the year	29,67,53,585	29,675.36
Balance at 31st March 2017	29,67,53,585	29,675.36

B. Other Equity

Particulars	Share application money pending allotment	Reserve and Surplus (Note 15)			OCI	₹ Lakhs Total
		Securities Premium Account	Share Options Outstanding Account	Retained Earnings (a)	Investments in equity shares at fair value	
Balance at 1st April 2015	1,17,828.63	20,083.09	47.77	(1,87,936.38)	(4,512.65)	(54,489.54)
Loss for the year	-	-	-	(14,252.24)	-	(14,252.24)
Net loss on investment in equity shares accounted at fair value	-	-	-	-	(2,944.67)	(2,944.67)
Remeasurement loss on defined benefit plans	-	-	-	(58.69)	-	(58.69)
Adjustments	1,17,828.63	20,083.09	47.77	(2,02,247.31)	(7,457.32)	(71,745.14)
Share Application money received	11,300.00	-	-	-	-	11,300.00
Share Options Outstanding liability reversed	-	-	(9.80)	9.80	-	-
Transfer to Equity Share Capital on Issuance of Shares	(5,395.52)	-	-	-	-	(5,395.52)
Transfer to Securities premium on Issuance of Shares	(3,237.31)	3,237.31	-	-	-	-
Balance at 31st March 2016	1,20,495.80	23,320.40	37.97	(2,02,237.51)	(7,457.32)	(65,840.66)
Loss for the year	-	-	-	(10,758.22)	-	(10,758.22)
Net loss on investment in equity shares accounted at fair value	-	-	-	-	(2,105.73)	(2,105.73)
Remeasurement loss on defined benefit plans	-	-	-	(74.93)	-	(74.93)
Adjustments	1,20,495.80	23,320.40	37.97	(2,13,070.66)	(9,563.05)	(78,779.54)
Share Application money received	69,000.00	-	-	-	-	69,000.00
Share Options Outstanding liability reversed	-	-	(18.45)	18.45	-	-
Balance at 31st March 2017	1,89,495.80	23,320.40	19.52	(2,13,052.21)	(9,563.05)	(9,779.54)

a. Balance in General Reserve amounting to ₹ 51.21 lakhs and ₹ 61.01 lakhs as on 1st April, 2015 and 31st March, 2016 respectively has been re classified with Retained Earnings.

Summary of Significant Accounting Policies

2.1

The accompanying notes referred to above form an integral part of the Financial Statements

As per our report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No: 301003E/E300005
Chartered Accountants

per Kamal Agarwal
Partner
Membership No 58632
Place : Kolkata
Date : May 16, 2017



For and on behalf of the Board of Directors

Director
Whole Time Director and Chief Financial Officer

Company Secretary



1 Corporate Information

Spencer's Retail Limited is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act, 2013. The registered office of the Company is located at Duncan House, 31 Netaji Subhas Road, Kolkata. The Company is engaged in the retailing of goods through its stores and caters to the domestic market only.

The Financial statements were authorised for issue in accordance with resolution of directors on 16th May 2017.

2 Basis of Preparation

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements for the year ended March 31, 2017 have been prepared in accordance with Indian Accounting Standards ("Ind-AS") consequent to the notification of The Companies (Indian Accounting Standards) Rules, 2015 (the Rules) issued by the MCA. These are the first Ind-AS financial statements of the Company, wherein the Company has restated its Balance Sheet as at 1st April 2015 and financial statements for the year ended and as at 31st March 2016 also as per Ind-AS.

The financial statements have been prepared on a historical cost basis, except for certain financial assets measured at fair value (refer accounting policy on investments).

2.1 Significant Accounting Policies**a) Property, plant and equipment**

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Expenditure in respect of improvements, etc. carried out at the rented / leased premises are capitalised and depreciated over the initial period of lease or useful life of assets, whichever is lower.

Expenditure incurred in setting up of stores are capitalized as a part of Leasehold improvements.

The present value of the expected cost to be incurred on removal of assets at the time of store closure is included in the cost of leasehold improvements.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on Property, Plant and Equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, which is as follows:

Class of Assets	Useful lives estimated by the management (years)
Computers	3 to 6 years
Furniture & Fixtures	3 to 10 years
Vehicles	5 years
Office equipments	5 years
Plant & Machinery	15 years

The management has estimated, based on the Company's internal evaluation, the useful lives of certain furniture & fixtures and vehicle between 3 to 5 years. These lives are lower than those indicated in schedule II. The management believes that these estimated useful life are realistic and reflect fair approximation of the period over which the asset are likely to be used.

The carrying amount of assets is reviewed at each balance sheet date, to determine if there is any indication of impairment based on the internal/external factors. An impairment loss is recognized wherever the carrying amount of assets exceeds its recoverable amount which is the greater of net selling price and value in use of the respective assets. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risk specific to the asset. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

b) Intangible assets

Acquired Computer softwares and knowhow & licenses are capitalised on the basis of the costs incurred to acquire and bring the specific asset to its intended use and subsequently at cost less accumulated amortisation and accumulated impairment loss, if any.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an impairment indicator. The amortisation expense is recognised in the statement of profit and loss.

Gain or loss arising on disposal of the intangible asset is included in the statement of profit and loss.

A summary of the amortisation period applied to the Company's intangible assets is, as follows:

Class of Assets	Useful lives estimated by the management (years)
Computer Softwares	6 years
Knowhow & Licences	10 years

**c) Borrowing Cost**

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

d) Investments

Investment in subsidiaries and other equity instruments are measured at Fair Value through Other Comprehensive Income (FVTOCI). All fair value changes on such investments, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Investments in units of mutual funds are accounted for at fair value and the changes in fair value are recognised in Statement of Profit and Loss.

e) Impairment of financial assets

In accordance with Ind AS 109: Financial Instruments, the Company recognises impairment loss allowance on deposits based on historically observed default rates. Impairment loss allowance recognised /reversed during the year are charged/written back to Statement of Profit and Loss.

f) Inventories

Traded Goods and Packing materials are valued at lower of cost and net realizable value. Cost includes purchase price and other incidental expenses. Cost is determined under moving weighted average method.

Raw Materials are valued at lower of cost and net realisable value. However, materials held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

Obsolete/Damaged stock is valued at lower of cost less provision and net realisable value. Such provision is ascertained based on pre-determined criterion adopted by the Company consistently over the years.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost necessary to make the sale.

g) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and 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.

h) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and 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, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

i) Retirement and other employee benefits

Retirement benefits in the form of Provident & Superannuation Funds are defined contribution schemes and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the respective funds.

Gratuity liability is a defined benefit obligation and contribution, by way of premium is paid to Life Insurance Corporation of India (L.I.C.), under the Group Gratuity Scheme. Gratuity liability is provided for based on actuarial valuation on projected unit credit method done at the end of each financial year.

Long term compensated absences are provided for on the basis of actuarial valuation carried out at the year end as per projected unit credit method.

The current and non current bifurcation has been done as per the Actuarial report.

Remeasurements, comprising of 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 Other Comprehensive Income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- (i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- (ii) Net interest expense or income

j) Foreign Currency Transactions

Transactions in foreign currencies are initially recorded in reporting currency by the Company at spot rates at the date of transaction. The Company's functional currency and reporting currency is same i.e. Indian Rupees.

Foreign currency monetary items are reported using the closing rate. Foreign currency non-monetary items measured at historical cost are translated using the exchange rates at the dates of the initial transactions. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

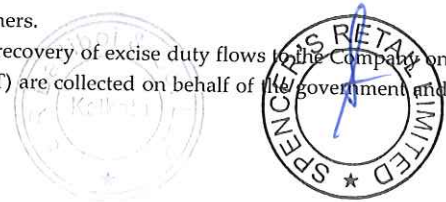
k) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all its revenue arrangements except in case of Sale of Concessionaire's products where the title of the goods passes to the Company at the time of sale to customer and inventory risk remains with the vendor. The Company considers concessionaire to be the primary obligor and hence recognises only its net margin in the Statement of Profit and Loss.

Gift vouchers /cards sales are recognised when the vouchers are redeemed and goods are sold to the customers.

Excise duty is a liability of the manufacturer irrespective of whether the goods are sold or not. Hence, the recovery of excise duty flows to the Company on its own account and accordingly revenue includes excise duty. However, Sales tax/ value added tax (VAT) are collected on behalf of the government and accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.



Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances and discounts. The Company operates a loyalty points programme, which allows customers to accumulate points when they purchase products in the Company's retail stores. The points can be redeemed for free products.

Consideration received by the Company on sale of goods is allocated between the products sold and the points issued based on their fair values. Fair value of the points is determined using value of goods which can be bought by redeeming such points and the same is deferred and recognised as revenue on redemption.

Income from Recoveries and Services

Income from recoveries and services mainly represents recoveries made on account of advertisement for use of space by the customers and other expenses charged from suppliers and are recognized and recorded based on the arrangements with concerned parties.

Interest Income

Interest income is recorded using the effective interest rate (EIR). Interest income is included as finance income in the Statement of Profit and Loss.

l) Taxes**Current income tax**

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Indian Income Tax Act. Management periodically evaluates positions taken in the tax returns vis-a-vis positions taken in books of account, which are subject to interpretation, and creates provisions where appropriate.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases and accounting bases of assets and liabilities at the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

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

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

m) Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating lease. Operating lease payments as per terms of the agreement are recognised as an expense in the Statement of Profit and Loss representing the time pattern of benefit to the Company as per specific lease terms.

n) Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss before Other Comprehensive Income for the year by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss before Other Comprehensive Income for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

o) Contingent liabilities

A contingent liabilities is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

p) Measurement of EBITDA

The Company has elected to present earnings before interest, tax expenses, depreciation and amortization expenses (EBITDA) as a separate line item on the face of the Statement of Profit and Loss.

q) Standards Issued but not yet Effective

The standard issued but not yet effective up to the date of issuance of the Company's financial statements is disclosed below. The company intends to adopt this standard when it becomes effective.

- Ind AS 102 - Share-based Payment
- Ind AS 7 - Statement of Cash Flows

The MCA has notified Companies (Indian Accounting Standards) (Amendment) Rules, 2017 to amend the above Ind AS's. The amendment will come into force from accounting period commencing on or after April 1, 2017. The Company is in the process of assessing the possible impact of IND AS 7: Statement of Cash Flows and Ind AS 102: Share based Payment and will adopt the amendments on the required effective date.



Effect of IND AS adoption on the Balance Sheet as on 31st March, 2016 and 1st April, 2015

₹ Lakhs

Particulars	Footnote Reference Number	As at 31st March, 2016 (End of Last Period presented under previous GAAP)			As at 1st April, 2015 (Date of Transition)		
		Previous GAAP	Effect of		Previous GAAP	Effect of	
			Transition to IND AS	As per IND AS		Transition to IND AS	As per IND AS
ASSETS							
Non- Current Assets							
a) Property, Plant and Equipment	2	16,352.80	91.18	16,443.98	16,627.06	74.14	16,701.20
b) Capital Work in Progress		805.87	-	805.87	1,386.05	-	1,386.05
c) Intangible Assets		623.31	-	623.31	784.76	-	784.76
d) Financial Assets							
(i) Investments	7	9,446.81	(7,457.32)	1,989.49	7,201.00	(4,512.65)	2,688.35
(ii) Loans and Deposits	5	6,253.06	(2,358.75)	3,894.31	5,110.95	(2,756.03)	2,354.92
(iii) Other Financial Assets		2,445.10	-	2,445.10	2,631.10	-	2,631.10
(e) Deferred Tax Assets (net)	9	31,053.45	(31,053.45)	-	31,053.45	(31,053.45)	-
(f) Non Current Tax Assets (net)		201.91	-	201.91	146.50	-	146.50
(g) Other Non Financial Assets	1(i), 3 & 5	320.29	1,632.24	1,952.53	299.08	1,694.36	1,993.44
(A)		67,502.60	(39,146.10)	28,356.50	65,239.95	(36,553.63)	28,686.32
Current Assets							
a) Inventories		19,174.51	-	19,174.51	17,120.76	-	17,120.76
(b) Financial Assets							
(i) Trade Receivables		2,791.53	-	2,791.53	2,123.39	-	2,123.39
(ii) Cash and Cash Equivalents		418.85	-	418.85	392.42	-	392.42
(iii) Bank Balances other than (ii) above		200.00	-	200.00	-	-	-
(iv) Loans and Deposits	5	438.64	(133.94)	304.70	93.54	102.67	196.21
(v) Other Financial Assets		93.50	-	93.50	156.62	-	156.62
(c) Current Tax Assets (net)		236.21	-	236.21	221.51	-	221.51
(d) Other Non Financial Assets	1(i), 3 & 5	823.31	(54.55)	768.76	668.62	150.57	819.19
(B)		24,176.55	(188.49)	23,988.06	20,776.86	253.24	21,030.10
TOTAL ASSETS [(A)+(B)]		91,679.15	(39,334.59)	52,344.56	86,016.81	(36,300.39)	49,716.42
EQUITY AND LIABILITIES							
Equity							
a) Equity Share Capital		29,675.36	-	29,675.36	24,279.84	-	24,279.84
b) Other Equity	Equity Reco	(26,651.70)	(39,188.96)	(65,840.66)	(18,328.04)	(36,161.50)	(54,489.54)
Total Equity (C)		3,023.66	(39,188.96)	(36,165.30)	5,951.80	(36,161.50)	(30,209.70)
Liabilities							
Non-Current Liabilities							
(a) Financial Liabilities							
- Borrowings	3	17,750.00	(284.00)	17,466.00	23,300.00	(242.57)	23,057.43
(b) Provisions	2	531.56	213.87	745.43	475.79	171.68	647.47
(D)		18,281.56	(70.13)	18,211.43	23,775.79	(70.89)	23,704.90
Current Liabilities							
(a) Financial liabilities							
- Borrowings		29,462.70	-	29,462.70	22,500.00	-	22,500.00
- Trade Payables							
(i) Total outstanding dues of Micro and small enterprises		3.30	-	3.30	-	-	-
(ii) Total outstanding dues of creditors other than Micro and small enterprises	1(i)	21,718.15	(116.78)	21,601.37	19,354.53	(76.75)	19,277.78
- Other Financial Liabilities	3	17,252.53	(29.01)	17,223.52	12,436.90	(21.09)	12,415.81
(b) Other Non Financial Liabilities	1 (i) & 4	520.25	55.76	576.01	594.07	57.09	651.16
(c) Provisions	1 (i) & 4	1,417.00	14.53	1,431.53	1,403.72	(27.25)	1,376.47
(E)		70,373.93	(75.50)	70,298.43	56,289.22	(68.00)	56,221.22
TOTAL EQUITY AND LIABILITIES [(C) +(D)+(E)]		91,679.15	(39,334.59)	52,344.56	86,016.81	(36,300.39)	49,716.42



Reconciliation of Total Equity as on 31st March, 2016 and 1st April, 2015

Particulars	Footnote Reference	As at 31st March, 2016	₹ Lakhs
		(End of Last Period presented under previous GAAP)	As at 1st April, 2015 (Date of Transition)
Total Equity (Shareholders' funds) under previous GAAP		3,023.66	5,951.80
Provision for Decommissioning Liability	2	(127.41)	(97.53)
Accounting for processing fee of loans on EIR method	3	(76.66)	(59.03)
Fair value impact of loyalty points	4	(8.73)	(8.32)
Interest free rental deposits at amortised cost	5	(411.71)	(351.68)
Provision for expected credit loss (ECL) for rental deposits	5	(53.67)	(78.84)
Accounting of investment at FVTOCI	7	(7,457.33)	(4,512.65)
Derecognition of Deferred tax asset (DTA)	9	(31,053.45)	(31,053.45)
Total Adjustment to Equity		(39,188.96)	(36,161.50)
Total Equity under IND AS		(36,165.30)	(30,209.70)

Effect of IND AS adoption on the Statement of Profit and Loss for the year ended 31st March 2016

Particulars	Footnote Reference	Effect of		
		Previous GAAP	Transition to IND AS	As per IND AS
Income:				
Revenue from operations	4 & 6	1,85,876.81	(6,227.47)	1,79,649.34
Other Income	2 & 5	623.46	262.06	885.52
Total Income (I)		1,86,500.27	(5,965.41)	1,80,534.86
Expenses:				
Purchase of traded goods	6 (ii)	1,50,321.49	(6,086.89)	1,44,234.60
Increase in inventories of traded goods		(2,049.63)	-	(2,049.63)
Cost of Raw Materials Consumed		734.94	-	734.94
Employee benefit expenses	1 (ii) & 1 (iii)	13,744.24	(84.01)	13,660.23
Other expenses	2,4, 5 & 6 (i)	29,081.29	154.24	29,235.53
Total (II)		1,91,832.33	(6,016.66)	1,85,815.67
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II)		(5,332.06)	51.25	(5,280.81)
Depreciation and Amortisation	2	3,662.50	9.85	3,672.35
Finance costs	1 (iii) , 2 & 3	5,233.58	65.50	5,299.08
Loss for the year (III)		(14,228.14)	(24.10)	(14,252.24)
Other Comprehensive Income				
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods				
(a) Net loss on investment in equity shares accounted at fair value	7 & 8	-	(2,944.67)	(2,944.67)
(b) Remeasurement loss on defined benefit plans	1(ii)	-	(58.69)	(58.69)
Total Other Comprehensive Income (IV)		-	(3,003.36)	(3,003.36)
Total Comprehensive Income for the year [(III)+(IV)]		(14,228.14)	(3,027.46)	(17,255.60)



SPENCER'S RETAIL LIMITED

Notes to Financial Statements as at and for the year ended 31st March 2017

Footnotes to the reconciliation of balance sheet and equity as at 1st April 2015 and 31st March 2016 and profit or loss for

A) the year ended 31st March 2016

1 Reclassifications

The Company has done the following reclassifications as per the requirements of Ind-AS:

- i) Assets / liabilities which do not meet the definition of financial asset / financial liability have been reclassified to other non financial asset / liability.
- ii) Re-Measurement gains/(losses) on long term employee defined benefit plans are re-classified from the statement of profit and loss to OCI.
- iii) Net interest on net defined benefit liability which reflect the change in net defined benefit liability that arises from the passage of time are reclassified from Employee benefit expenses to Finance costs.

2 Property, plant and equipment

The present value of the expected cost for the removal of asset at the time of closure of stores is included in the cost of Leasehold Improvement with a provision for similar amount. The unwinding cost is expensed as incurred and recognised in the statement of profit and loss as a finance cost. Depreciation on the same has been calculated on straight line basis using the rate arrived at based on useful lives estimated by the management. At the time of store closure, if the cost incurred is in excess of the provision made, shortfall in provision is expensed off. Similarly, if provision recognised is in excess of actual cost incurred, such excess amount is written back to the Statement of Profit and Loss.

3 Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised and charged to profit or loss over the period of the loan and unamortised portion was shown as prepayments. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

4 Deferred revenue

The Company operates a loyalty points programme which allows customers to accumulate points when they purchase products at the Company's stores. Under Indian GAAP, provision under the reward programme was recognised at cost.

Under Ind AS, consideration received by the Company on sale of goods is allocated between the products sold and the points issued based on their fair values. The fair value allocated to the points issued is deferred and recognised as revenue when the points are redeemed.

5 Loans and Deposits

Under Indian GAAP, rental deposits were carried at cost. Under IND AS the same has been measured at amortised cost using the Effective Interest Rate (EIR) method. Further, the Company has applied Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on such rental deposits.

6 Sale of goods

- i) Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Thus sale of goods under Ind AS has increased with a corresponding increase in other expense.
- ii) Under Indian GAAP, Concessionaire's Sales was included in sale of goods and purchases on this account was included in purchase of traded goods. However, under Ind AS, only the net margin earned on concessionaire's sales is recorded in the Statement of Profit and Loss.

7 Investment

The Company has decided to measure Investment in Subsidiaries and other equity instruments at Fair Value through Other Comprehensive Income (FVTOCI) on date of transition and subsequently.

8 Other comprehensive income

Ind-AS requires preparation of Statement of Other Comprehensive Income in addition to Statement of Profit and Loss.

9 Derecognition of Deferred tax asset (DTA)

In absence of reasonable certainty that future taxable profit will be available against which unused tax losses and unused tax credit can be utilised, management has now decided to write off the DTA recognised under Indian GAAP in earlier years on unused tax losses and unabsorbed depreciation. This is a change in judgement.

B) **Ind-AS 101 Exemptions applied**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The company has applied following exemptions:

- (i) The Company has elected to continue with carrying value as recognised in its Indian GAAP Financial Statements of following items as deemed cost at the transition date, viz., 1 April 2015 in accordance with Ind-AS 101 -
 - A. Property Plant and Equipments
 - B. Intangible Assets
- (ii) Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before 1st April 2015.



3.1 Property, Plant and Equipment

	Leasehold Improvements	Plant & Machinery	Computer Hardwares	Vehicles	Furniture & Fixtures	Office Equipments	(₹ Lakhs) Total
Cost							
As at 1st April 2015	8,027.22	3,237.24	697.12	42.84	4,583.03	113.75	16,701.20
Additions	1,210.59	783.93	553.11	-	956.59	27.15	3,531.37
Disposals/Deductions	307.88	117.20	9.64	7.59	119.86	1.50	563.67
As at 31st March 2016	8,929.93	3,903.97	1,240.59	35.25	5,419.76	139.40	19,668.90
Additions	1,304.70	355.09	350.62	-	1,327.59	13.12	3,351.12
Disposals/Deductions	385.59	64.55	15.50	10.56	146.29	0.41	622.90
As at 31st March 2017	9,849.04	4,194.51	1,575.71	24.69	6,601.06	152.11	22,397.12
Depreciation							
As at 1st April 2015	-	-	-	-	-	-	-
Charge for the year	1,483.66	391.49	414.12	13.03	1,142.97	16.66	3,461.93
Disposals/Deductions	196.76	9.36	0.19	2.37	28.28	0.05	237.01
As at 31st March 2016	1,286.90	382.13	413.93	10.66	1,114.69	16.61	3,224.92
Charge for the year	1,175.69	408.72	433.81	6.84	1,077.97	16.21	3,119.24
Disposals/Deductions	95.64	12.89	4.91	5.56	88.86	0.01	207.87
As at 31st March 2017	2,366.95	777.96	842.83	11.94	2,103.80	32.81	6,136.29
Net Block							
As at 1st April 2015	8,027.22	3,237.24	697.12	42.84	4,583.03	113.75	16,701.20
As at 31st March 2016	7,643.03	3,521.84	826.66	24.59	4,305.07	122.79	16,443.98
As at 31st March 2017	7,482.09	3,416.55	732.88	12.75	4,497.26	119.30	16,260.83

Note:

For Property, plant and equipment existing as on April 1, 2015, i.e. date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost as permitted by Ind-AS 101 - First-time Adoption of Indian Accounting Standards. Accordingly, the net WDV as per Indian GAAP as on 1st April, 2015 has been considered as Gross Block under Ind-AS after adjusting for decommissioning liabilities as mentioned in Note 2 to the "Footnotes to the reconciliation of balance sheet and equity as at 1st April 2015 and 31st March 2016 and profit or loss for the year ended 31st March 2016". The accumulated depreciation so netted off as on 1st April 2015, is as below -

Gross Block	15,497.49	5,447.35	5,590.43	80.49	9,024.67	453.23	36,093.66
Accumulated Depreciation	7,544.41	2,210.11	4,893.31	37.65	4,441.64	339.48	19,466.60
Adjustment for Decommissioning Cost	74.14	-	-	-	-	-	74.14
Net Block	8,027.22	3,237.24	697.12	42.84	4,583.03	113.75	16,701.20

3.2 Intangible Assets

	Computer Softwares	Know- How and Licence	(₹ Lakhs) Total
Cost			
As at 1st April 2015	482.01	302.75	784.76
Additions	62.24	-	62.24
Disposals/Deductions	48.82	7.70	56.52
As at 31st March 2016	495.43	295.05	790.48
Additions	258.23	-	258.23
Disposals/Deductions	24.21	-	24.21
As at 31st March 2017	729.45	295.05	1,024.50
Amortisation			
As at 1st April 2015	-	-	-
Charge for the year	148.96	61.46	210.42
Disposals/Deductions	42.55	0.70	43.25
As at 31st March 2016	106.41	60.76	167.17
Charge for the year	139.37	60.50	199.87
Disposals/Deductions	22.88	-	22.88
As at 31st March 2017	222.90	121.26	344.16
Net Block			
As at 1st April 2015	482.01	302.75	784.76
As at 31st March 2016	389.02	234.29	623.31
As at 31st March 2017	506.55	173.79	680.34

Note:

For Intangible Assets existing as on April 1, 2015, i.e. date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost as permitted by Ind-AS 101 - First-time Adoption of Indian Accounting Standards. Accordingly, the net WDV as per Indian GAAP as on 1st April, 2015 has been considered as Gross Block under Ind-AS. The accumulated amortisation so netted off as on 1st April 2015, is as below -

Gross Block	1,495.61	669.62	2,165.23
Accumulated Amortisation	1,013.60	366.87	1,380.47
Net Block	482.01	302.75	784.76



	<u>31st March 2017</u> ₹ Lakhs	<u>31st March 2016</u> ₹ Lakhs	<u>1st April 2015</u> ₹ Lakhs
4 Investments			
Fully Paid up in Subsidiary Companies			
Investments at Fair Value through OCI (Unquoted)			
Aou Bon Pain Café India Ltd of ₹ 10 each: 108,000,000 equity share as at 31st March 2017 (31st March 2016: 86,400,000, 1st April 2015: 72,000,000)	1,080.75	1,182.68	2,687.35
Music World Retail Limited of ₹ 10 each: 5,000,000 equity share as at 31st March 2017 (31st March 2016: 5,000,000, 1st April 2015: 5,000,000)	-	-	-
Omnipresent Retail India Private Limited of ₹ 10 each: 93,010,277 equity share as at 31st March 2017 (31st March 2016: 619,277, 1st April 2015: Nil)	1,890.92	805.81	-
Guiltfree Industries Limited of ₹ 10 each: 50,000 equity share as at 31st March 2017 (31st March 2016: Nil, 1st April 2015: Nil)	5.00	-	-
Fully Paid up in Others (at Fair Value through OCI)			
Retailer's Association of India: 10,000 equity share as at 31st March 2017 (31st March 2016: 10,000, 1st April 2015: 10,000)	1.00	1.00	1.00
	<u>2,977.67</u>	<u>1,989.49</u>	<u>2,688.35</u>

Note :

- i) Aggregated amount of Unquoted Investments as at 31st March 2017 : ₹ 2,977.67 Lakhs (31st March 2016: ₹ 1,989.49 Lakhs , 1st April 2015: ₹ 2,688.35 Lakhs)
- ii) The Company currently holds 93.10 % (31st March 2016: 91.53%, 1st April 2015 : 90.00%) stake in Aou Bon Pain Café India Ltd. and balance 6.90 % (31st March 2016 : 8.47%, 1st April 2015: 10.00%) is held by a minority share holder. As per the shareholding agreement between the Company and the minority shareholder they have an irrevocable call and put option respectively related to such minority stake . However, no such option has been exercised by either party at the Balance Sheet date.

5 Loans and Deposits (at amortised cost)**(Unsecured)**

	<u>31st March 2017</u> ₹ Lakhs	<u>31st March 2016</u> ₹ Lakhs	<u>1st April 2015</u> ₹ Lakhs
Deposits			
Considered good	2,830.36	2,492.83	2,331.11
Considered doubtful	106.99	74.21	77.21
	<u>2,937.35</u>	<u>2,567.04</u>	<u>2,408.32</u>
Impairment allowance:			
Considered good	(23.12)	(53.67)	(78.84)
Considered doubtful	(106.99)	(74.21)	(77.21)
	<u>2,807.24</u>	<u>2,439.16</u>	<u>2,252.27</u>
Share application money to Subsidiary Companies pending allotment	1,936.73	1,455.15	102.65
	<u>4,743.97</u>	<u>3,894.31</u>	<u>2,354.92</u>



6 Other Financial Assets (at amortised cost)**(Unsecured, considered good unless stated otherwise)**

	<u>31st March 2017</u>	<u>31st March 2016</u>	<u>1st April 2015</u>
	₹ Lakhs	₹ Lakhs	₹ Lakhs
Other Bank balances			
- Deposits with original maturity for more than 12 months	95.00	0.45	200.45
-Margin Money Deposit	2,504.64	2,429.15	2,408.67
Interest receivable on Fixed Deposits	-	10.43	11.41
Advances to Employees	2.20	5.07	10.57
	<u>2,601.84</u>	<u>2,445.10</u>	<u>2,631.10</u>

Margin Money Deposit given as security

Margin Money Deposit of ₹ 2,504.64 Lakhs (31st March 2016 : ₹2,429.15 Lakhs, 1st April 2015: ₹2,408.67 Lakhs) are pledged with banks against bank guarantees and Overdraft facilities.

7 Other Non Financial Assets**(Unsecured, considered good unless stated otherwise)**

	<u>31st March 2017</u>	<u>31st March 2016</u>	<u>1st April 2015</u>
	₹ Lakhs	₹ Lakhs	₹ Lakhs
Capital Advances	72.11	36.43	55.19
Prepaid Expenses	1,897.13	1,906.21	1,927.82
Deposits for claims and tax disputes	25.94	9.89	10.43
	<u>1,995.18</u>	<u>1,952.53</u>	<u>1,993.44</u>

8 Inventories**(At lower of cost and net realisable value)**

	<u>31st March 2017</u>	<u>31st March 2016</u>	<u>1st April 2015</u>
	₹ Lakhs	₹ Lakhs	₹ Lakhs
Raw Material	81.44	68.84	81.20
Traded Goods	24,041.35	19,448.92	17,399.29
Less : Provision for Obsolete Stock	519.10	494.70	505.73
	<u>23,522.25</u>	<u>18,954.22</u>	<u>16,893.56</u>
Packing Materials	196.74	181.63	180.61
Less : Provision for Obsolete Stock	18.06	30.18	34.61
	<u>178.68</u>	<u>151.45</u>	<u>146.00</u>
Total	<u>23,782.37</u>	<u>19,174.51</u>	<u>17,120.76</u>

9 Trade Receivables (at amortised cost)**(Unsecured)**

	<u>31st March 2017</u>	<u>31st March 2016</u>	<u>1st April 2015</u>
	₹ Lakhs	₹ Lakhs	₹ Lakhs
Considered good	2,725.03	2,791.53	2,123.39
Considered Doubtful	27.21	6.26	6.70
	<u>2,752.24</u>	<u>2,797.79</u>	<u>2,130.09</u>
Less: Provision for doubtful receivables	(27.21)	(6.26)	(6.70)
	<u>2,725.03</u>	<u>2,791.53</u>	<u>2,123.39</u>

Refer Note 37 for receivables from related party.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.



10 Cash and Bank balances

	<u>31st March 2017</u> ₹ Lakhs	<u>31st March 2016</u> ₹ Lakhs	<u>1st April 2015</u> ₹ Lakhs
10.1 Cash and Cash Equivalents			
Balance with Banks			
- On current accounts	444.60	149.22	91.54
Cash in hand	299.01	269.63	300.88
	<u>743.61</u>	<u>418.85</u>	<u>392.42</u>
10.2 Other bank balances			
Deposits with original maturity for more than 12 months	-	200.00	-
	<u>-</u>	<u>200.00</u>	<u>-</u>

11 Loans and Deposits (at amortised cost)**(Unsecured , considered good unless stated otherwise)**

	<u>31st March 2017</u> ₹ Lakhs	<u>31st March 2016</u> ₹ Lakhs	<u>1st April 2015</u> ₹ Lakhs
Deposits	77.10	304.70	196.21
	<u>77.10</u>	<u>304.70</u>	<u>196.21</u>

12 Other Financial Assets (at amortised cost)**(Unsecured , considered good unless stated otherwise)**

	<u>31st March 2017</u> ₹ Lakhs	<u>31st March 2016</u> ₹ Lakhs	<u>1st April 2015</u> ₹ Lakhs
Interest receivable on Fixed Deposits	30.37	22.89	21.92
Insurance Claims Receivable	71.17	33.03	34.45
Advances to Employees	40.66	37.58	100.25
	<u>142.20</u>	<u>93.50</u>	<u>156.62</u>

13 Other Non Financial Assets**(Unsecured , considered good unless stated otherwise)**

	<u>31st March 2017</u> ₹ Lakhs	<u>31st March 2016</u> ₹ Lakhs	<u>1st April 2015</u> ₹ Lakhs
Advances Recoverable in cash or in kind (Refer Note 37)	217.67	158.32	76.02
Prepaid Expenses	512.26	402.21	559.94
Balance with Statutory /Government Authorities	49.37	42.48	17.48
Deposits for claims and tax disputes	-	165.75	165.75
	<u>779.30</u>	<u>768.76</u>	<u>819.19</u>



14 Equity Share Capital

	31st March 2017		31st March 2016		1st April 2015	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Authorised						
Equity shares of ₹10 each	30,00,00,000	30,000.00	30,00,00,000	30,000.00	30,00,00,000	30,000.00
	30,00,00,000	30,000.00	30,00,00,000	30,000.00	30,00,00,000	30,000.00

Issued, subscribed and fully paid up Equity shares of ₹10 each

29,67,53,585.00	29,675.36	29,67,53,585.00	29,675.36	24,27,98,388.00	24,279.84
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a) Reconciliation of Equity Shares outstanding at the beginning and end of the year

	No. of Shares	₹ in Lakhs
At 1st April 2015	24,27,98,388	24,279.84
Issued during the year	5,39,55,197	5,395.52
At 31st March 2016	29,67,53,585	29,675.36
Issued during the year	-	-
At 31st March 2017	29,67,53,585	29,675.36

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares held by CESC Limited (Holding Company) and shareholders holding more than 5% in the Company-

Name of the party	No. of Shares	%	No. of Shares	%	No. of Shares	%
CESC Limited	29,67,53,585	100.00%	29,67,53,585	100.00%	24,27,98,388	100.00%

As per records of the Company, including its register of shareholders/members and other declaration received from shareholders, the above shareholding represents legal ownership of shares.

d) Shares reserved for issue under options

For details of shares reserved for issue under employee stock option (ESOP) plan of the Company, refer Note 15 (iii)

15 Other Equity

	31st March 2017	31st March 2016	1st April 2015
	₹ Lakhs	₹ Lakhs	₹ Lakhs

15.1 Share Application money pending allotment (refer Note (i) below)

Balance as per last financial statements	1,20,495.80	1,17,828.63	
Share application money received during the year	69,000.00	11,300.00	
Adjusted against shares issued during the year	-	(8,632.83)	
Closing Balance	1,89,495.80	1,20,495.80	1,17,828.63

15.2 Securities Premium Account

Balance as per last financial statements	23,320.40	20,083.09	
Addition during the year	-	3,237.31	
Closing Balance	23,320.40	23,320.40	20,083.09

15.3 Share Options Outstanding Account (refer Note (iii) below)

Balance as per last financial statements	37.97	47.77	
Reversal during the year transferred to Retained Earnings	18.45	9.80	
Closing Balance	19.52	37.97	47.77

15.4 Retained Earnings

Balance as per last financial statements	(2,02,237.51)	(1,87,936.38)	
Share Options Outstanding liability reversed	18.45	9.80	
Remeasurement gains/(losses) on defined benefit plans	(74.93)	(58.69)	
Loss for the year	(10,758.22)	(14,252.24)	
Closing Balance	(2,13,052.21)	(2,02,237.51)	(1,87,936.38)

15.5 Other Comprehensive Income (OCI) Reserve

Balance as per last financial statements	(7,457.32)	(4,512.65)	
Net loss on investment in equity shares accounted at fair value	(2,105.73)	(2,944.67)	
Closing Balance	(9,563.05)	(7,457.32)	(4,512.65)
	(9,779.54)	(65,840.66)	(54,489.54)

i) Share Application money pending allotment

Equity shares will be allotted to the Holding Company at a premium of ₹10/- per share after completion of necessary compliances including enhancement of the authorised Share Capital.

ii) Securities Premium Account

Premium received on equity shares issued are recognised in securities premium account.

iii) Share Options Outstanding Account

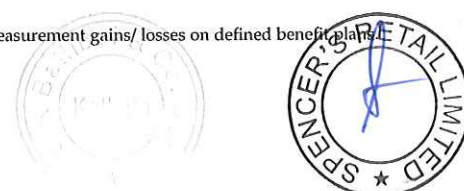
Share Options Outstanding Account is the ESOP liability relating to the extent of vested options till 1st January 2010. The Company had provided equity settled ESOP to its employees vesting over a period of 5 years in equal instalments linked to performance rating of respective employees. As at year ended 31st March 2017, there are however, no outstanding non vested options. During the year, there has been allotment of Nil (Nil) options vested in the earlier years. 9,400 (31st March 2016 : 9,240, 1st April, 2015 : 3,200) options with exercise price of ₹ 44/- vested in earlier years, has been cancelled on resignation of employees during the year. The Company in the year 2009-10 had withdrawn the ESOP Scheme and retained ESOP liability to the extent of vested options till 1st January 2010.

iv) Retained Earnings

Retained earnings includes reserves created out of profits, Ind-AS related adjustments as on the date of transition and remeasurement gains/ losses on defined benefit plans.

v) OCI Reserve

Represents gain / (loss) on fair value of investments in subsidiaries.



16 Borrowings

	<u>31st March 2017</u> ₹ Lakhs	<u>31st March 2016</u> ₹ Lakhs	<u>1st April 2015</u> ₹ Lakhs
Term Loan from Scheduled bank			
Secured Term Loan	-	21,727.08	19,828.74
Unsecured Term Loan	-	5,759.91	8,507.60
	-	<u>27,486.99</u>	<u>28,336.34</u>
Less :Current maturities of Long term loan (refer Note 20)			
- Secured Term Loan	-	6,236.50	2,491.56
-Unsecured Term Loan	-	3,784.49	2,787.35
	-	<u>10,020.99</u>	<u>5,278.91</u>
	-	<u>17,466.00</u>	<u>23,057.43</u>

17 Provisions

	<u>31st March 2017</u> ₹ Lakhs	<u>31st March 2016</u> ₹ Lakhs	<u>1st April 2015</u> ₹ Lakhs
Provisions for Employee Benefits			
Gratuity (refer Note 36)	315.44	272.46	236.20
Leave	266.20	259.10	239.59
	<u>581.64</u>	<u>531.56</u>	<u>475.79</u>
Other Provisions			
Provision for Decommissioning Liability [refer Note(a) below]	223.96	213.87	171.68
	<u>805.60</u>	<u>745.43</u>	<u>647.47</u>

(a) A provision is recognised for expected cost for removal of assets situated at various rented premises at the present value of expected costs to settle the obligation. This table below gives information about the movement in provision for decommissioning liability :

Movement of provision for Decommissioning Liability

Opening balance	213.87	171.68	
Add: Provision created during the year	34.82	66.34	
Less: Provision reversed / utilised during the year	24.73	24.15	
Closing balance	<u>223.96</u>	<u>213.87</u>	<u>171.68</u>



18 Borrowings

	<u>31st March 2017</u> ₹ Lakhs	<u>31st March 2016</u> ₹ Lakhs	<u>1st April 2015</u> ₹ Lakhs
Secured Loans			
Overdraft from banks	1,600.00	1,600.00	2,000.00
Unsecured Loans			
From scheduled banks	-	27,862.70	20,500.00
	<u>1,600.00</u>	<u>29,462.70</u>	<u>22,500.00</u>

a) Nature of Security

Overdraft from banks is secured against margin money deposits .

b) Terms of Repayment and Rate of Interest-Secured

The Overdraft from Banks is repayable on demand and carries floating interest rate which is in the range of 11.30% to 11.45% per annum.

	<u>31st March 2017</u> ₹ Lakhs	<u>31st March 2016</u> ₹ Lakhs	<u>1st April 2015</u> ₹ Lakhs
19 Trade Payable			
- Total outstanding dues of Micro and small enterprises (refer Note (c) below)	-	3.30	-
- Total outstanding dues of creditors other than Micro and small enterprises	26,151.04	21,601.37	19,277.78

(a) Trade payable are non interest bearing and are normally settled on 30 to 180 days term.

(b) Refer Note 37 for dues to related parties

(c) Details of dues to micro and small enterprises as defined under MSMED Act, 2006

Principal amount due	-	3.30	-
Interest due on above	-	0.08	0.04
Amount of interest paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act 2006 (MSMED Act 2006) along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year :			
a) Principal	-	16.18	7.78
b) Interest	-	-	-
The amount of Interest due and payable for the period of delay in making the payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006	-	0.08	0.04
Amount of interest accrued and remaining unpaid as at year end	-	0.08	0.04
Amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 MSMED Act 2006	-	-	-

20 Other Financial Liabilities (at amortised cost)

Current maturities of long-term borrowing (refer Note 16)	-	10,020.99	5,278.91
Book Overdraft in current accounts with Banks	1,469.45	2,006.30	2,363.72
Interest accrued but not due on borrowings	-	136.01	12.29
Interest accrued and due on borrowings	-	60.70	53.65
Sundry Deposits	252.11	280.13	220.79
Capital Creditors	969.64	406.76	1109.22
Others			
- Payables to Employees	687.05	650.15	615.35
- Royalty Payable	4,129.94	3,662.48	2,743.06
- Other Expenses	-	-	18.82
	<u>7,508.19</u>	<u>17,223.52</u>	<u>12,415.81</u>



21 Other Non Financial Liabilities

	31st March 2017	31st March 2016	1st April 2015
	₹ Lakhs	₹ Lakhs	₹ Lakhs
Advances from Customers	296.60	102.17	112.57
Statutory Liabilities	432.52	418.08	481.5
Deferred Revenue *	79.36	55.76	57.09
	<u>808.48</u>	<u>576.01</u>	<u>651.16</u>

* Represents estimated liability towards unredeemed loyalty points.

22 Provisions

	31st March 2017	31st March 2016	1st April 2015
	₹ Lakhs	₹ Lakhs	₹ Lakhs
Provisions for Employee Benefits			
Gratuity (refer Note 36)	90.81	65.47	57.72
Leave	39.48	29.05	22.11
	<u>130.29</u>	<u>94.52</u>	<u>79.83</u>
Other Provisions			
Tax disputes (refer Note (a) below)	268.39	223.35	183.32
Claims on Leased Properties (refer Note (b) below)	1,137.49	1,113.66	1,113.32
	<u>1,536.17</u>	<u>1,431.53</u>	<u>1,376.47</u>

- (a) The management has estimated the provisions for pending disputes, claims and demands relating to indirect taxes based on its assessment of probability for these demands crystallising against the company in due course :

Movement of provision for Tax disputes

Opening balance	223.35	183.32	
Add: Provision created during the year	45.04	40.03	
Closing balance *	<u>268.39</u>	<u>223.35</u>	<u>183.32</u>

* Net of deposits as at 31st March 2017 ₹ 53.19 Lakhs (31st March 2016 : ₹ 53.19 Lakhs, 1st April 2015 : ₹ 53.19 Lakhs) made under appeal

(b) Claims on Leased Properties

Retailers Association of India (RAI) of which the Company is a member, has filed Special Leave Petition before the Hon'ble Supreme Court of India, about the applicability of service tax on commercial rent on immovable property. Pending disposal of the case, the Supreme Court has passed an interim ruling in Oct 11 directing the members of RAI to pay 50% of total service tax liability up to Sept 11 to the department and to furnish a surety for balance 50%. The Supreme Court has also clarified that the successful party in the appeal shall be entitled to interest on the amount stayed by the Court, at such rate as may be directed at the time of the final disposal of appeal. Accordingly the Company has already deposited ₹ 460 Lakhs and furnished a surety for ₹ 460 Lakhs towards the balance service tax liability, while interest, whose quantum and applicability is presently not ascertainable, will be provided on the disposal of the petition, if required.

Further, the Company has also been making provision for service tax on rent from October 2011 onwards, the balance whereof as on 31st March 2017 is ₹ 1,137.49 Lakhs (31st March 2016 : ₹ 1,113.66 Lakhs, 1st April 2015 : ₹ 1,113.32 Lakhs).

Movement of provision for Claims on Leased Properties

Opening balance	1,113.66	1,113.32	
Add: Provision created during the year	136.78	104.04	
Less: Provision reversed / paid during the year	(112.95)	(103.70)	
Closing balance	<u>1,137.49</u>	<u>1,113.66</u>	<u>1,113.32</u>



SPENCER'S RETAIL LIMITED

Notes to Financial Statements as at and for the year ended 31st March 2017

(₹ Lakhs)

	2016-17	2015-16
23 Revenue from operations		
Sale of products (including excise duty)	1,91,872.27	1,71,456.69
Other operating revenue		
Income from Recoveries and Services	7,713.36	6,671.21
Income on Sale of Concessionaire products	1,652.60	1,521.44
	<u>2,01,238.23</u>	<u>1,79,649.34</u>
24 Other income		
Interest Income		
- Bank Deposits	197.37	225.42
- Rental Deposits	192.34	234.37
- Others	35.91	27.10
Provisions no longer required written back	360.88	272.65
Net Gain on Sale of Current Investments	98.46	61.46
Miscellaneous Income	4.07	64.52
	<u>889.03</u>	<u>885.52</u>
25 Increase in inventories of traded goods		
Inventories at the beginning of the year	19,448.92	17,399.29
Inventories at the end of the year	24,041.35	19,448.92
Increase in Inventories of traded goods	<u>(4,592.43)</u>	<u>(2,049.63)</u>
26 Cost Of Raw Materials Consumed		
Inventory at the beginning of the year	68.84	81.20
Add: Purchases	793.68	722.58
	862.52	803.78
Less: Inventory at the end of the year	81.44	68.84
Cost of raw materials consumed	<u>781.08</u>	<u>734.94</u>
27 Employee benefit expenses		
Salaries, Wages, Bonus and Exgratia	13,138.98	12,237.62
Contribution to Provident and Other Funds (refer Note 36)	849.41	862.66
Staff Welfare Expenses	533.07	559.95
	<u>14,521.46</u>	<u>13,660.23</u>



SPENCER'S RETAIL LIMITED

Notes to Financial Statements as at and for the year ended 31st March 2017

(₹ Lakhs)

	2016-17	2015-16
28 Other Expenses		
Power and Fuel	3,797.74	3,652.86
Freight	207.82	173.99
Rent (refer Note 33)	10,625.26	9,402.01
Repairs and Maintenance		
- Plant and Machinery	1.43	1.14
- Buildings	317.83	465.74
- Others	2,612.99	2,540.85
Insurance	53.97	40.54
Rates and taxes	526.37	490.41
Excise duty on sales	35.01	33.01
Advertisement and Selling Expenses	2,812.26	3,222.95
Packing Materials Consumed	530.59	433.14
Travelling and Conveyance	427.99	456.85
Security Charges	1,570.94	1,460.54
Auditor's remuneration		
Statutory Audit fees	82.75	82.75
Tax Audit fees	10.50	10.50
Others	5.62	5.00
Service Tax	15.07	14.55
Reimbursement of Expenses	1.52	2.21
Communication expenses	115.46	115.01
Printing and Stationery	240.79	256.41
Legal and consultancy charges	255.94	259.78
Contract payments towards housekeeping expenses	828.93	2,291.88
Royalty	2,731.66	2,388.28
Loss on Sale/ Write off of Property Plant & Equipment (net)	1,139.02	1,020.99
Rental Deposits Written off	290.54	78.07
Less: Adjusted against provisions	15.94	196.34
Provision for Doubtful Store Lease Deposits/ Advances	-	(3.00)
Provision for Bad and Doubtful Debts	32.78	-
Miscellaneous Expenses	20.95	-
	305.31	257.74
	<u>29,497.52</u>	<u>29,235.53</u>
29 Depreciation And Amortisation		
Depreciation of tangible assets	3,119.24	3,461.93
Amortisation of intangible assets	199.87	210.42
	<u>3,319.11</u>	<u>3,672.35</u>
30 Finance Costs		
Interest Expense	4,015.30	3,837.13
Other Borrowing Costs	1,714.03	1,461.95
	<u>5,729.33</u>	<u>5,299.08</u>



31 Earning per share (EPS)

Basic and Diluted EPS have been calculated by dividing the loss for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year. The effect of ESOP and share application money pending allotment on EPS is anti-dilutive and accordingly basic and diluted EPS are same.

	31st March 2017	31st March 2016
Loss for the year (₹ Lakhs)	(10,758.22)	(14,252.24)
Weighted Number of Equity Shares outstanding	29,67,53,585	24,33,89,678
Earnings per Share – Basic & Diluted (Face value of ₹ 10 each)	(3.63)	(5.86)

32 Significant accounting judgement, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions, as described below, that affect the reported amounts and the disclosures. The Company based its assumptions and estimates on parameters available when the financial statements were prepared and are reviewed at each Balance Sheet date. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the reported amounts and disclosures.

(a) Employee benefit plans (Gratuity and Leave encashment benefits)

The cost of the employment benefit plans and their present value are determined using actuarial valuations which involves making various assumptions that may differ from actual developments in the future.

For further details refer Note 36.

(b) Fair Value measurement of Investment in Subsidiaries

Investment in Subsidiaries are fair valued through Other Comprehensive Income. As the subsidiaries are not listed, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Change in assumptions about these factors could affect the reported fair value of these subsidiaries. See Note 38 for further disclosures.

33 Commitments and contingencies**a) Leases****Operating lease commitments (Company as Lessee)**

Retail stores are taken by the Company generally on operating lease and the lease rent is payable as per the agreements entered into with the lessors. Agreements are both in the nature of cancellable and non cancellable leases. The lease term is for varied years and renewable for further years as per the agreements at the option of the Company. There are no restrictions imposed by these lease arrangements. The details of lease rentals payable are given below:

	2016-17	2015-16
	₹ Lakhs	₹ Lakhs
Lease Payments for the year	10,625.26	9,402.01
Future Minimum Lease Payments -		
Not Later than one year	6,702.74	6,148.39
Later than one year but not later than five years	27,079.31	24,205.39
Later than five years	54,772.32	52,007.04

b) Contingencies

	31st March, 2017	31st March, 2016	1st April, 2015
	₹ Lakhs	₹ Lakhs	₹ Lakhs
Contingent liabilities not provided for in respect of:			
- Sales Tax demands under appeal	932.69	932.35	298.94
- Service Tax demands under appeal	553.89	553.89	553.89
- Claims against the Company not acknowledged as debt	1209.66	927.36	453.93
- Guarantee to ABP Corporation on behalf of a Subsidiary Company to discharge obligation, if any, in the event of default	Not Quantified	Not Quantified	Not Quantified

c) Commitments

- Estimated amount of contracts remaining to be executed on capital account (net of advances)	216.42	298.45	215.39
---	--------	--------	--------

d) The Company has ongoing commitment to extend support and provide equity to its all subsidiaries, in respect of various projects and otherwise. The future cash outflow in respect of above cannot be ascertained at this stage

34 The Company has accumulated losses of ₹ 222,615.26 Lakhs against the Shareholder's funds of ₹ 19,895.82 Lakhs (including share application money pending allotment) as on the Balance Sheet date. The Company, however, having created a robust infrastructure for organized retail business, is confident of generating positive cash flows and operational surplus in the near future. The holding Company has also committed to provide continued financial and governance support to the Company. Further, the losses for the Company are reducing and the Company is operating at a positive EBITDA in aggregate at store level. Therefore, the Company is confident about the continuity of its operations and long term viability.

35 Segment information

The Company has identified a single operating segment i.e. organised retailing as per Ind AS - 108. The Company at present primarily operates in India and therefore the analysis of geographical segment is not applicable to the Company.



36 GRATUITY & OTHER POST EMPLOYMENT BENEFIT PLANS

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972. The scheme is funded with an insurance company.

- a) The following tables summarises the components of net benefit expense recognised in the Statement of Profit and Loss and Other Comprehensive Income (OCI) for the year:

	₹ Lakhs	
	2016-17	2015-16
<u>Expenses recognised in the Statement of Profit and loss:</u>		
Current service cost	62.25	61.15
Interest cost	27.05	25.32
Expected return on plan assets	5.91	5.56
	<u>83.39</u>	<u>80.91</u>
<u>Expenses recognised in the Statement of OCI :</u>		
Net actuarial (gain) / loss recognised in the year	74.93	58.69
Total expense	<u>158.32</u>	<u>139.60</u>

- b) The following tables summaries the components of funded status and amounts recognised in the balance sheet for the plan.

- (i) Net Asset/(Liability) recognized as on the Balance Sheet date:

	₹ Lakhs		
	31st March 2017	31st March 2016	1st April 2015
Present value of defined benefit obligation	469.53	416.75	362.83
Fair value of plan assets	63.28	78.82	69.51
Net Asset /(Liability)	<u>(406.25)</u>	<u>(337.93)</u>	<u>(293.32)</u>

- (ii) Changes in the present value of the defined benefit obligation are as follows:

	₹ Lakhs		
	31st March 2017	31st March 2016	1st April 2015
Present value of defined benefit obligation at the beginning of the year	416.75	362.83	
Interest cost	27.05	25.32	
Current service cost	62.25	61.15	
Benefits paid	111.93	92.74	
Actuarial (gains) / losses on obligation	75.41	60.19	
Arising from changes in experience	56.13	59.64	
Arising from changes in demographic assumptions	(0.75)	0.55	
Arising from changes in financial assumptions	20.03	-	
Present value of defined benefit obligation at the end of the year	<u>469.53</u>	<u>416.75</u>	<u>362.83</u>

- (iii) Changes in the fair value of plan assets:

	₹ Lakhs		
	31st March 2017	31st March 2016	1st April 2015
Fair value of plan assets at the beginning of the year	78.82	69.51	
Expected return on plan assets	5.91	5.56	
Contributions by employer	90.00	95.00	
Actual benefits paid	111.92	92.74	
Actuarial gains / (losses)	0.47	1.49	
Fair value of plan assets at the end of the year	<u>63.28</u>	<u>78.82</u>	<u>69.51</u>

- (iv) In 2017-18 the Company expects to contribute ₹ 94.15 Lakhs (2015-16: ₹ 68.03 Lakhs) to Gratuity Fund.

- (v) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows

	31st March 2017	31st March 2016	1st April 2015
Investments with insurer	100%	100%	100%

- (vi) Actuarial Assumptions:

	31st March 2017	31st March 2016	1st April 2015
Discount rate	7.50%	8.00%	8.00%
Expected rate of return on assets	7.50%	8.00%	8.75%
Employee turnover	Grade wise attrition ranging from 8% to 71%	Grade wise attrition ranging from 0% to 70.03%	Grade wise attrition ranging from 0% to 72.18%



SPENCER'S RETAIL LIMITED

Notes to Financial Statements as at and for the year ended 31st March 2017

- vii) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market
- viii) Contribution to Provident and Other Funds includes ₹ 735.17 Lakhs (₹761.87 Lakhs) paid towards defined contribution plans.

ix) The basis of various assumptions used in actuarial valuations and their quantitative sensitivity analysis is as shown below:

Assumptions	March 31, 2017		March 31, 2016	
	Discount rate (a)		Discount rate (a)	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Impact	21.40	(23.30)	20.54	(22.38)
Assumptions	Future salary (b)		Future salary (b)	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Impact	(23.49)	21.73	(22.47)	20.75
Assumptions	Mortality (c)		Mortality (c)	
Sensitivity level	10% increase	10% decrease	10% increase	10% decrease
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Impact	(0.66)	0.65	(0.55)	0.54
Assumptions	Attrition rate (b)		Attrition rate (b)	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Impact	5.86	(6.35)	6.29	(6.83)

(a) Based on interest rates of government bonds

(b) Based on management estimate

(c) Based on IALM 2006-2008 ultimate mortality table



SPENCER'S RETAIL LIMITED

Notes to Financial Statements as at and for the year ended 31st March 2017

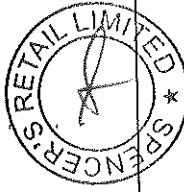
37 RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Holding company	CEESC Limited Au Bon Pain Café India Limited Omnipresent Retail India Pvt Ltd (wef 14-Dec-2016) Guilfrée Industries Limited (Wef 06-Jan-2017)
Subsidiary Companies	Quest Properties India Ltd (formerly CEESC properties Limited) Haldia Energy Limited
Fellow Subsidiary	First Source Solutions Ltd RPG Industries Pvt Limited
Entities in which Directors/KMP are interested	Khaitan & Co Khaitan & Co LLP Mohit Kampani, Whole Time Director (from 1st December 2012 to 5th Aug-16) Satiya Kumar Srivastava, Chief Financial Officer, Whole Time Director (from 10th Sept'16) S.Ganesh (Company Secretary)
Relatives of KMP	Tanvi Srivastava
Independent Directors	Surabhi Kampani Khalid Ahmed Gargi Chatterjee B.L.Chandak Rajendra Iha Subhasis Mitra
Directors	

Details of transactions entered into with the related parties:

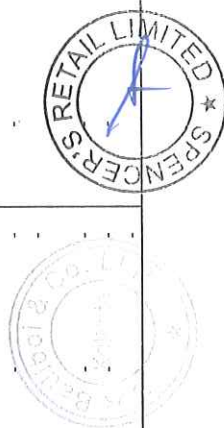
Particulars	Holding Company		Subsidiaries		Fellow Subsidiary		Entities in which Directors/KMP are interested		Key Management Personnel		Directors & Others		Total	
	Transaction Value	Balance Outstanding as on 31/3/2017	Transaction Value	Balance Outstanding as on 31/3/2017	Transaction Value	Balance Outstanding as on 31/3/2017	Transaction Value	Balance Outstanding as on 31/3/2017	Transaction Value	Balance Outstanding as on 31/3/2017	Transaction Value	Balance Outstanding as on 31/3/2017	Transaction Value	Balance Outstanding as on 31/3/2017
Sales of Goods														
CEESC Limited	54.09 (2.85)	12.86 (0.07) (0.91)	-	-	-	-	-	-	-	-	-	-	-	12.86 (0.07) (0.91)
Quest Properties India Ltd	-	-	-	1.48 (0.34)	14.75 (4.46)	-	-	-	-	-	-	-	-	14.75 (4.46)
Omnipresent Retail India Pvt Ltd	-	-	7.13 (9.50)	-	-	-	-	-	-	-	-	-	-	7.13 (9.50)
Au Bon Pain Café India Limited	-	-	2.04	-	-	-	-	-	-	-	-	-	-	2.04
Sales of Gift Vouchers														
First Source Solutions Ltd	-	-	-	(1.45)	-	-	-	-	-	-	-	-	-	(1.45)
CEESC Limited	9.63 (6.22)	(0.57)	-	-	-	-	-	-	-	-	-	-	-	9.63 (6.22)
Quest Properties India Ltd	-	-	-	-	(0.90)	-	-	-	-	-	-	-	-	(0.90)
Omnipresent Retail India Pvt Ltd	-	-	1.09 (5.50)	(1.32)	-	-	-	-	-	-	-	-	-	1.09 (5.50)
Haldia Energy Limited	-	-	-	-	1.70	-	-	-	-	-	-	-	-	1.70



SPENCER'S RETAIL LIMITED

Notes to Financial Statements as at and for the year ended 31st March, 2017

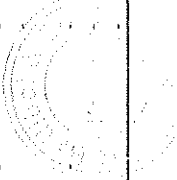
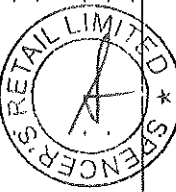
Particulars	Holding Company		Subsidiaries		Fellow Subsidiary		Entities in which Directors/KMP are interested		Key Management Personnel		Directors & Others		Total	
	Transaction Value	Balance Outstanding as on 31/3/2017	Transaction Value	Balance Outstanding as on 31/3/2017	Transaction Value	Balance Outstanding as on 31/3/2017	Transaction Value	Balance Outstanding as on 31/3/2017	Transaction Value	Balance Outstanding as on 31/3/2017	Transaction Value	Balance Outstanding as on 31/3/2017	Transaction Value	Balance Outstanding as on 31/3/2017
<u>Purchase of Goods</u>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Au Bon Pain Café India Limited	-	-	(0.61)	-	-	-	-	-	-	-	-	-	(0.61)	-
<u>Expense Incurred</u>	156.35	45.34	-	-	-	-	-	-	-	-	-	-	156.35	45.34
CESC Limited	(184.26)	(61.21)	-	-	-	-	-	-	-	-	-	-	(184.26)	(61.21)
First Source Solutions Ltd	-	-	-	-	78.76	21.68	-	-	-	-	-	-	78.76	21.68
	-	-	-	-	(57.55)	(10.59)	-	-	-	-	-	-	(57.55)	(10.59)
Quest Properties Ltd	-	-	-	-	732.18	43.10	-	-	-	-	-	-	732.18	43.10
Au Bon Pain Café India Limited	-	-	-	-	(620.17)	(75.60)	-	-	-	-	-	-	(620.17)	(75.60)
	-	-	48.64	-	(12.59)	-	-	-	-	-	-	-	48.64	(12.59)
Omnipresent Retail India Pvt Ltd	-	-	165.24	19.20	-	-	-	-	-	-	-	-	165.24	19.20
Guiltfree Industries Limited	-	-	7.18	7.18	-	-	-	-	-	-	-	-	7.18	7.18
Khaiyan & Co	-	-	-	-	-	-	3.40	1.22	-	-	-	-	3.40	1.22
Khaiyan & Co LLP	-	-	-	-	-	-	18.55	(3.52)	-	-	-	-	18.55	(3.52)
RPG Industries Pvt Limited	-	-	-	-	-	-	(1.41)	-	-	-	-	-	(1.41)	-
Tanvi Srivastava	-	-	-	-	-	-	-	-	-	3.65	-	-	3.65	-
Surabhi Kampani	-	-	-	-	-	-	-	-	-	2.04	(5.83)	-	2.04	(5.83)
<u>Interest Income</u>	1.43	-	-	-	-	-	-	-	-	-	-	-	1.43	-
CESC Limited	(0.92)	-	-	-	-	-	-	-	-	-	-	-	(0.92)	-
<u>Recovery of Expenses</u>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
First Source Solutions Ltd	-	-	-	-	19.13	5.00	-	-	-	-	-	-	19.13	5.00
Au Bon Pain Café India Limited	-	-	-	-	(38.17)	(12.04)	-	-	-	-	-	-	(38.17)	(12.04)
Royalty Paid	-	-	12.80	-	-	-	-	-	-	-	-	-	12.80	-
CESC Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,035.02	4,129.94	-	-	-	-	-	-	-	-	-	-	1,035.02	4,129.94
	(1,020.99)	(3,662.48)	-	-	-	-	-	-	-	-	-	-	(1,020.99)	(3,662.48)
	-	(2,743.06)	-	-	-	-	-	-	-	-	-	-	-	(2,743.06)



SPENCER'S RETAIL LIMITED

Notes to Financial Statements as at and for the year ended 31st March 2017

Particulars	Holding Company		Subsidiaries		Fellow Subsidiary		Entities in which Directors/KMP are interested		Key Management Personnel		Directors & Others		Total	
	Transaction Value	Balance Outstanding as on 31/3/2017	Transaction Value	Balance Outstanding as on 31/3/2017	Transaction Value	Balance Outstanding as on 31/3/2017	Transaction Value	Balance Outstanding as on 31/3/2017	Transaction Value	Balance Outstanding as on 31/3/2017	Transaction Value	Balance Outstanding as on 31/3/2017	Transaction Value	Balance Outstanding as on 31/3/2017
Commission Paid	-	-	70.39 (0.54)	13.41 (0.54)	-	-	-	-	-	-	-	-	70.39 (0.54)	13.41 (0.54)
Remuneration to Key Managerial Personnel	-	-	-	-	-	-	-	-	29.35 (53.91)	-	-	-	29.35 (53.91)	-
Mohit Kampani	-	-	-	-	-	-	-	-	36.47 (7.86)	-	-	-	36.47 (7.86)	-
Short Term Employee Benefits	-	-	-	-	-	-	-	-	2.48 (2.97)	-	-	-	2.48 (2.97)	-
Retirement Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement	-	-	-	-	-	-	-	-	103.25 (97.05)	-	-	-	103.25 (97.05)	-
Saiya Kumar Srivastava	-	-	-	-	-	-	-	-	14.16 (12.00)	-	-	-	14.16 (12.00)	-
Short Term Employee Benefits	-	-	-	-	-	-	-	-	8.52 (6.35)	-	-	-	8.52 (6.35)	-
Retirement Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement	-	-	-	-	-	-	-	-	50.45 (46.01)	-	-	-	50.45 (46.01)	-
S. Ganesh	-	-	-	-	-	-	-	-	6.67 (6.17)	-	-	-	6.67 (6.17)	-
Short Term Employee Benefits	-	-	-	-	-	-	-	-	5.09 (5.16)	-	-	-	5.09 (5.16)	-
Retirement Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Directors Sitting Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.L.Chandak	-	-	-	-	-	-	-	-	0.14 (0.14)	0.14 (0.14)	-	-	0.14 (0.14)	-
Rajendra Jha	-	-	-	-	-	-	-	-	0.14 (0.14)	0.14 (0.14)	-	-	0.14 (0.14)	-
Subhasis Mitra	-	-	-	-	-	-	-	-	0.14 (0.14)	0.14 (0.14)	-	-	0.14 (0.14)	-
Khalid Ahmed	-	-	-	-	-	-	-	-	0.04 (0.20)	0.04 (0.20)	-	-	0.04 (0.20)	-
Gargi Chatterjee	-	-	-	-	-	-	-	-	0.02	0.02	-	-	0.02	-
Proceeds & Repayment of Loan taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CESC Limited	(40,000.00)	-	-	-	-	-	-	-	-	-	-	-	-	(40,000.00)



SPENCER'S RETAIL LIMITED

Notes to Financial Statements as at and for the year ended 31st March 2017

Particulars	Holding Company		Subsidiaries		Fellow Subsidiary		Entities in which Directors/KMP are interested		Key Management Personnel		Directors & Others		Total	
	Transaction Value	Balance Outstanding as on 31/3/2017	Transaction Value	Balance Outstanding as on 31/3/2017	Transaction Value	Balance Outstanding as on 31/3/2017	Transaction Value	Balance Outstanding as on 31/3/2017	Transaction Value	Balance Outstanding as on 31/3/2017	Transaction Value	Balance Outstanding as on 31/3/2017	Transaction Value	Balance Outstanding as on 31/3/2017
<u>Equity Investment¹</u>														
Au Bon Pain Café India Limited	-	10,800.00	2,160.00	10,800.00	-	-	-	-	-	-	-	-	2,160.00	10,800.00
	-	(8,640.00)	(1,440.00)	(8,640.00)	-	-	-	-	-	-	-	-	(1,440.00)	(8,640.00)
	-	(7,200.00)	928.91	(7,200.00)	-	-	-	-	-	-	-	-	928.91	(7,200.00)
Omnipresent Retail India Pvt Ltd	-	-	-	928.91	-	-	-	-	-	-	-	-	-	928.91
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guilfree Industries Limited	-	5.00	5.00	5.00	-	-	-	-	-	-	-	-	5.00	5.00
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Security Deposit paid</u>														
CESC Limited	0.83	24.64	-	-	-	-	-	-	-	-	-	-	0.83	24.64
	(0.78)	(23.80)	-	-	-	-	-	-	-	-	-	-	(0.78)	(23.80)
	-	(23.02)	-	-	-	-	-	-	-	-	-	-	-	(23.02)
Quest Properties India Ltd	-	-	-	-	(6.34)	(105.80)	-	-	-	-	-	-	-	-
	-	-	-	-	-	(97.46)	-	-	-	-	-	-	(6.34)	(103.80)
	-	-	-	-	-	-	-	-	-	-	-	-	-	(97.46)
<u>Share Application money received/adjusted</u>														
CESC Limited	69,000.00	1,89,495.80	-	-	-	-	-	-	-	-	-	-	69,000.00	1,89,495.80
	(11,300.00)	(1,20,495.79)	-	-	-	-	-	-	-	-	-	-	(11,300.00)	(1,20,495.79)
	-	(1,17,828.63)	-	-	-	-	-	-	-	-	-	-	-	(1,17,828.63)
<u>Shares Issued (including Premium)</u>														
CESC Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(8,632.83)	-	-	-	-	-	-	-	-	-	-	-	(8,632.83)	-
<u>Share Application money paid</u>														
Au Bon Pain Café India Limited	-	222.65	2,110.00	222.65	-	-	-	-	-	-	-	-	2,110.00	222.65
	-	(272.65)	(1,610.00)	(272.65)	-	-	-	-	-	-	-	-	(1,610.00)	(272.65)
	-	(102.65)	1,407.50	(102.65)	-	-	-	-	-	-	-	-	1,407.50	(102.65)
Omnipresent Retail India Pvt Ltd	-	1,661.08	(1,182.50)	1,661.08	-	-	-	-	-	-	-	-	(1,182.50)	1,661.08
	-	(1,182.50)	53.00	(1,182.50)	-	-	-	-	-	-	-	-	53.00	(1,182.50)
Guilfree Industries Limited	-	53.00	53.00	53.00	-	-	-	-	-	-	-	-	53.00	53.00
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1. For fair value of Investment, refer Note 4 & 38

Figures disclosed above are in ₹ lakhs unless otherwise stated



38 Fair Values

(₹ Lakhs)

(i) Class wise fair value of the Company's financial assets:

	31st March 2017	31st March 2016	1st April 2015
Investments (unquoted) in equity shares	2,977.67	1,989.49	2,688.35
	<u>2,977.67</u>	<u>1,989.49</u>	<u>2,688.35</u>

(ii) Fair hierarchy

Date of valuation	Fair Value Measurement Using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Quantitative disclosures fair value measurement hierarchy for assets:			
Assets measured at fair value:			
Investments	31-03-2017	-	2,977.67
	31-03-2016	-	1,989.49
	01-04-2015	-	2,688.35

(iii) Description of significant unobservable inputs to valuation

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2017, 31 March 2016 and 1 April 2015 are as shown below:

	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Unquoted equity shares in Aou Bon Pain Café India Ltd	WACC	31 March 2017: 12.2% to 14.2% 31 March 2016: 25.4% to 27.4% 1 April 2015: 21.3% to 23.3%	0.5% Increase (decrease) in the WACC would result in increase (decrease) in fair value by ₹330 lakhs (₹290 Lakhs) [31st March 2016: ₹300 lakhs (₹280 Lakhs), 1st April 2015: ₹360 lakhs (₹330 Lakhs)]
	Terminal Growth	31 March 2017: 4% to 6% 31 March 2016: 4% to 6% 1 April 2015: 4% to 6%	0.5% increase (decrease) in the Terminal Growth would result in increase (decrease) in fair value by ₹170 lakhs (₹190 Lakhs) [31 March 2016: ₹50 lakhs (₹60 Lakhs) 1 April 2015: ₹90 lakhs (₹110 Lakhs)]
	WACC	31 March 2017: 19.5% to 23.5%	1% Increase (decrease) in the WACC would result in increase (decrease) in fair value by ₹337.00 lakhs (₹297.00 Lakhs)
	Terminal Growth	31 March 2017: 3% to 5%	0.5% increase (decrease) in the Terminal Growth would result in increase (decrease) in fair value by ₹202.00 lakhs (₹180.00 Lakhs)
Unquoted equity shares in Omnipresent Retail India Private Limited			

The fair valuation has been carried out by an independent expert and has been relied upon by the auditors.

(iii) Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI assets:

	Investment in unquoted equity shares / units
Opening Balance as on April 1, 2015	2,688.35
Re-measurement recognised in OCI	(2,944.67)
Purchases*	2,245.81
Closing Balance as on 31st March 2016	1,989.49
Re-measurement recognised in OCI	(2,105.73)
Purchases	3,093.91
Closing Balance as on 31st March 2017	<u>2,977.67</u>



* The Company has acquired all the equity shares of Omnipresent Retail India Private Limited from its share holders at a total consideration of ₹805.81 Lakhs and consequently it become wholly owned subsidiary of the Company with effect from 14th December 2015.

39 Financial risk management objectives and policies

The Company's financial liabilities comprise short term borrowings (overdraft from banks), trade & other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents, investment in subsidiaries and deposits.

The company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The senior management reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk primarily comprises interest rate risk. Financial instruments affected by market risk include loans and borrowings, deposits.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer's contract leading to a financial loss. The company is exposed to credit risk from its financing activities, including deposits with banks and other financial instruments.

Financial instruments and cash deposits

Credit risk from balances with banks is managed by the company's treasury department in accordance with the company's policy.

Investments of surplus funds are made only after review and approval of senior management.

The company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2017 and 31 March 2016 is the carrying amounts as illustrated in Note 5, 10.2 & 11.

Liquidity risk

The company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and funding from parent company. Refer Note 34.

40 Capital management

The Company's objective when managing capital (defined as net debt and equity) is to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefit for other stakeholders, while protecting and strengthening the balance sheet through the appropriate balance of debt and equity funding. The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions and strategic objectives of the Company.

41 Details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 as provided in the table below:

Particulars	₹ Lakhs		Total
	SBN	Other Denomination notes	
Closing cash in hand as on November 8, 2016	425.35	27.72	453.07
(+) Permitted Receipts	-	7,755.34	7,755.34
(-) Permitted Payment	-	181.59	181.59
(-) Amount deposited in Banks	425.35	7,262.38	7,687.73
Closing cash in hand as on December 30, 2016	-	339.09	339.09

The term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

42 Unhedged foreign exchange exposure as on 31st March 2017 :

Trade payables	Currency	31st March 2017	31st March 2016	1st April 2015
		CAD (\$)	3,21,984	-
	₹	1,76,44,148	-	60,81,867

Hedged foreign exchange exposure as on 31st March 2017 :				
Trade payables	Currency	31st March 2017	31st March 2016	1st April 2015
		CAD (\$)	-	58,075
	₹	-	29,83,904	-



43 In absence of convincing evidence, in terms of Ind AS 12 "Income Taxes" and accounting policy vide note 2.1 (I) above, the net deferred tax asset has not been recognised in these financial statements as a matter of prudence.

As per our report of even date

For S.R.Batlloi & Co. LLP
Firm Registration No: 301003E/E300005
Chartered Accountants

per Kamal Agarwal
Partner
Membership No 58652



For and on behalf of the Board of Directors

A handwritten signature in blue ink, appearing to be "Anil", written over a horizontal line.

Director

A handwritten signature in blue ink, appearing to be "Indrashis", written over a horizontal line.

Whole Time Director and Chief Financial Officer

A handwritten signature in blue ink, appearing to be "S. S. S.", written over a horizontal line.

Company Secretary

Place : Kolkata

Date : May 16, 2017



FORM NO. AOC.1

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

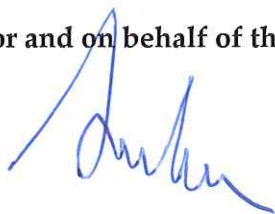
PART "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. In Lakhs)

Rs. In Lakhs

1	Sl.No.	1	2	3	4
2	Name of Subsidiary	Au Bon Pain Cafe India Limited	Music World Retail Limited	Omnipresent Retail India Private Limited	Guiltfree Industries Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.	N.A.
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.	N.A.
5	Share Capital	11,600.00	500.00	990.84	5.00
6	Reserves and Surplus	(10,009.67)	(2,603.73)	(753.92)	(79.33)
7	Total Assets	2,139.21	0.01	424.97	30.07
8	Total Liabilities	2,139.21	0.01	424.97	30.07
9	Investments	NIL	NIL	NIL	NIL
10	Turnover	1,615.64	NIL	67.17	8.75
11	Profit before Taxation	(2,107.30)	(0.12)	(1,127.00)	(131.93)
12	Provision for Taxation	NIL	NIL	NIL	(0.40)
13	Profit after Taxation	(2,107.30)	(0.12)	(1,127.00)	(132.33)
14	Proposed Dividend	NIL	NIL	NIL	NIL
15	% of Shareholding	93.10%	100%	100%	100%

For and on behalf of the Board



Director



Whole-time Director and Chief Financial Officer



Company Secretary

Dated 16 May 2017

