

LODHA & CO

Chartered Accountants

GURU KIRPA NIWAS, GROUND FLOOR,
20/7, LALITHAPURAM STREET,
(Opp. SREE GOUDIYA MUTT),
ROYAPETTAH, CHENNAI- 600 014. India.
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The Shareholders
MUSIC WORLD RETAIL LIMITED,
KOLKATA

AUDITORS' REPORT

We have audited the accompanying Financial Statements of **M/s MUSIC WORLD RETAIL LIMITED**, Kolkata, (hereinafter called the COMPANY), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended and a summary of significant accounting policies and other Explanatory Information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

- 1 The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

- 2 Our responsibility is to express an opinion on these 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 there under.

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We conducted our audit in accordance with the Standards on Auditing 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give 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 Company's Directors, as well as evaluating the overall presentation of the 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 financial statements.

OPINION

4.1 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information require by the Companies Act, 2013, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017
- (ii) In the case of Statement of Profit and Loss, of the LOSS for the period ended on that date. and
- (iii) In the case of the Statement of cash flows of the cash flows for the year ended on that date

EMPHASIS OF MATTER

5(a) We draw your attention that has not conducted any operations during the year and the accounts have been prepared **NOT ON GOING CONCERN BASIS** but on the basis of realization of assets and liabilities. Our opinion is not qualified in respect of this matter.

5(b) Attention is drawn to note no 28 to the accounts for not having any cash transactions during the year and hence the reporting on the disclosure of

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details of specified Bank Notes held between 08th Nov 2016 and Dec 31, 2016 is not applicable and hence not disclosed

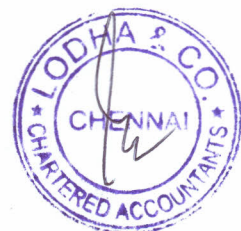
REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 6 As required by Section 143(3) of the Act, we report that
- 6.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit
- 6.2 In our opinion, proper books of accounts as required by law, have been kept by the company so far as it appears from the examination of those books
- 6.3 The Balance sheet, Statement of Profit and Loss and the Cash flow statement dealt with by this report in agreement with the books of account
- 6.4 We have relied on the representations given by the management in respect of transactions including values thereof and their appropriateness between the company and its holding (including ultimate holding company) / fellow subsidiary companies relating to provision for services rendered and received
- 6.5 The going concern matter described in sub- Para 5 under Emphasis of Matters above, in our opinion may have an adverse effect on the functioning of the Company.
- 6.6 In our opinion, the Balance Sheet, Statement of Profit and Loss and the cash flow statement dealt with by this report comply with the Accounting Standards specified under section 133 of the Companies Act 2013, read with rule 7 of the Companies (Account) Rules, 2014
- 6.7 On the basis of the written representations received from the directors of the company as on 31.03.2017 and taken on record by the Board of Directors of the company, we are of the opinion that none of the directors of the company are disqualified from being appointed as directors in terms of 164(2) of the Companies Act, 2013

OTHER MATTERS

- 6.8 According to the information and explanations given to us and based on our review of the systems and procedures followed by the company, we report that the company has adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 1, 2017
- 6.9 According to the information and explanations given to us, there are no pending litigation against the company which would impact its financial position

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- 6.10 According to the information and explanations given to us, the company is not required to provide any Loss on long term contracts including derivative contracts
- 6.11 According to the information and explanations given to us, the company does not have any funds that are required to be transferred to Investor Education and Protection Fund and hence the question of reporting on delay does not arise

COMPANIES AUDITORS REPORT ORDER 2016

As required by the Companies [Auditors' Report] Order 2016 issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 and on the basis of such checks as we considered appropriate and information and explanation given to us, we further report that:

FIXED ASSETS

- a. The Company does not have any fixed assets at the year end and hence reporting on points covering fixed assets does not arise

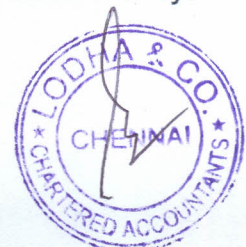
INVENTORIES

- b. The company does not have any inventories at the yearend or at any time during the year. Hence reporting on the points covering inventories does not arise

LOANS TAKEN AND GIVEN

- c. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies firms, LLps or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and hence the question of reporting on the terms and conditions on which loans have been granted and receipt of principal and interest and overdue amount thereon, does not arise
- d. The company has not granted any loans nor having any investments and hence the question of complying the provisions of section 185 and 186 of the Companies Act, 2013 does not arise.
- e. The Company has not accepted any deposits from the public.
- f. In our opinion and according to the information and explanations given to us, the Company has not taken any loan from the banks or financial institutions, Government or issued debentures and hence the reporting on the defaults in repayment does not arise
- g. In our opinion and according to the information and explanations given to us, the Company has not taken any term loans or raised moneys

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through public offer (including debt instruments) and hence question on the utilization of the term loans or other moneys raised does not arise

STATUTORY DUES

- h. The Company is generally regular, **wherever required**, in depositing with appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State insurance, income tax, sales tax, Service Tax, duty of customs, duty of Excise, Value added tax, cess and other statutory dues applicable to it with the appropriate authorities and according to the information and explanations given to us, there are no undisputed dues of statutory dues which are outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable.
- i. According to the information and explanations given to us, there are no dues of Sales Tax/Income Tax/ Service Tax,/ duties of Custom, Excise/value added tax/Cess which have not been deposited on account of any dispute.

OTHERS

- j. According to the information and explanations given to us, the transactions with related parties are in compliance with the provisions of Section 188 of the Companies Act, 2013 and the same have been disclosed in the financial statements.
- k. On the basis of the books and records of the Company verified by us in the normal course of audit and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported by/to us during the course of our audit.
- l. The provisions contained in clauses (vi – maintenance of Cost records), (xi – regarding payment of managerial remuneration),(xii – provisions relating to Nidhi Company), (xiv – private placement of shares and preferential allotment),(xv- entering into non cash transactions with directors), (xvi- registration under section 45-!A of Reserve Bank of India Act, 1934) are not applicable and hence not commented upon.

For LODHA & CO
Chartered Accountants,
Firm Registration Number FRN 301051E


G.SUBRAMANIA SARMA
Partner
Membership No. 021756



LCO, Chennai

26/04/2017

MUSIC WORLD RETAIL LTD
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	-	-	-
(b) Capital work in progress	3.1	-	-	-
(c) Intangible assets	3.2	-	-	-
(d) Financial assets				
- Loans and Advances	4	-	-	-
(e) Deferred tax assets (net)	5	-	-	-
Current assets				
(a) Inventories	6	-	-	-
(b) Financial Assets				
- Trade receivables	7	-	-	-
- Cash and Cash Equivalent	8	0.01	0.01	2.69
(c) Other current assets	9	-	-	0.19
TOTAL ASSETS		0.01	0.01	2.88
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	10	500.00	500.00	500.00
(b) Other equity	11	-2,603.73	-2,603.61	-2,648.76
Total Equity		-2,103.73	-2,103.61	-2,148.76
LIABILITIES				
Non-current liabilities				
(a) Financial liabilities				
- Borrowings	12	2,039.15	2,039.15	2,039.15
(b) Net employee defined benefit liabilities	13	-	-	-
		2,039.15	2,039.15	2,039.15
Current liabilities				
(a) Financial liabilities				
- Trade Payables	14.1			
(i) Total outstanding dues of Micro and small enterprises		-	-	-
(ii) Total outstanding dues of creditors other than Micro and small enterprises		64.59	64.47	112.49
- Other financial liabilities	14.2	-	-	-
(b) Other current liabilities	15	-	-	-
		64.59	64.47	112.49
TOTAL EQUITY AND LIABILITIES		0.01	0.01	2.88
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 Lodha & Co

Firm Regn No FRN: 301051E
Chartered Accountants


G Subramania Sarma
Membership No 021756



For and on behalf of the Board of Directors


Director


Director

Place : Kolkata

Date : 26/04/2017

MUSIC WORLD RETAIL LTD

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

	Notes	2016-17 ₹ Lakhs	2015-16 ₹ Lakhs
Income:			
Revenue from operations	16	-	-
Other income	17	-	47.54
Total Income (I)		-	47.54
Expenses:			
Purchase of traded goods	18	-	-
Increase in inventories of traded goods	18	-	-
Cost of Raw Materials Consumed	19	-	-
Employee benefit expenses	20	-	-
Other expenses	21	0.12	2.39
Total (II)		0.12	2.39
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II)		(0.12)	45.15
Depreciation and Amortisation	22	-	-
Finance costs	23	-	-
Loss before tax (III)		(0.12)	45.15
Other Comprehensive Income			
Other Comprehensive Income not be reclassified to profit or loss in subsequent periods			-
(a) Remeasurement gains/(losses) on defined benefit plans	24		-
(b) Tax Expenses			
Other Comprehensive Income for the year (net of tax) (IV)		-	-
Total Comprehensive Income for the year (net of tax) (III+IV)		(0.12)	45.15
Earnings per share- Basic and Diluted (Nominal value ₹10 per share)	25	(0.00)	0.90
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 Lodha & Co

Firm Regn No FRN: 301051E

Chartered Accountants

G Subramania Sarma

G Subramania Sarma

Membership No 021756



For and on behalf of the Board of Directors

S. N. Sengupta
Director

R. S. Sengupta
Director

Place : Kolkata

Date : 26/04/2017

MUSIC WORLD RETAIL LTD

Statement of Changes in Equity for the year ended 31st March 2017

A. Equity Share Capital

	No. of Shares	₹ in Lakhs
Equity Shares of ₹ 10 each issued, subscribed and fully paid		
On April 1, 2015	50,00,000	500.00
Changes in equity share capital during the year	-	-
Balance at March 31, 2016	50,00,000	500.00
Changes in equity share capital during the year	-	-
Balance at March 31, 2017	50,00,000	500.00

B. Other Equity

Particulars	Share application money pending allotment	Reserve and Surplus				Items of OCI Gains/(losses) on defined benefits plan	₹ Lakhs Total
		Securities Premium Account	General Reserve	Share Options Outstanding Account	Deficit in the statement of profit and loss		
Balance at April 1, 2015	-	7,524.00	-	-	-10,172.76	-	-2,648.76
Loss for the year	-	-	-	-	45.15	-	45.15
Other Comprehensive Income for the year	-	-	-	-	-	-	-
	-	7,524.00	-	-	-10,127.61	-	-2,603.61
Adjustments							
Share Application money received	-	-	-	-	-	-	-
Transfer to Equity Share Capital	-	-	-	-	-	-	-
Transfer to Securities premium	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-
Balance at March 31, 2016	-	7,524.00	-	-	-10,127.61	-	-2,603.61
Loss for the year	-	-	-	-	-0.12	-	-0.12
Other Comprehensive Income for the year	-	-	-	-	-	-	-
	-	7,524.00	-	-	-10,127.73	-	-2,603.73
Adjustments							
Share Application money received	-	-	-	-	-	-	-
Transfer to Equity Share Capital	-	-	-	-	-	-	-
Transfer to Securities premium	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-
Balance at March 31, 2017	-	7,524.00	-	-	-10,127.73	-	-2,603.73

Summary of Significant Accounting Policies

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

As per our report of even date

For Lodha & Co

Firm Regn No FRN: 301051E
Chartered Accountants

G Subramania Sarma
G Subramania Sarma
Membership No 021756
Place : Kolkata
Date : 26/04/2017



For and on behalf of the Board of Directors

S. Rangaraj
Director

Rajendra Dey
Director

MUSIC WORLD RETAIL LTD

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	(0.12)	45.15
Non Cash adjustment to reconcile loss before tax to net cash flows :		
Depreciation and Amortisation		-
Rental deposits written off/provision		-
Interest expense		-
Profit on sale of Investments		-
Interest Income		(0.01)
Loss on sale of Assets (net)		-
Provision/(Reversal) for Obsolete stocks		-
Provisions no longer required written back		(47.53)
Operating Loss before working capital changes	(0.12)	(2.39)
Movement in working capital:		
Increase in Liabilities & Provisions	0.12	(0.49)
Increase in Trade receivables		-
Increase in Inventories		-
Increase in Loans & Advances and Other Assets		0.20
Net cash used in operating activities (A)	0.12	(0.29)
	0.00	(2.68)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets, including intangible assets, capital work in progress and capital advances		-
Proceeds from Sale of fixed assets		-
Purchase consideration for acquisition of shares		-
Share Application money to Subsidiary Company pending allotment		-
Investment in Subsidiary Company		-
Proceeds from sale of current investments		-
Purchase of current investments		-
Investments in bank deposits (having original maturity of more than three months)		-
Redemption/maturity of bank deposits (having original maturity of more than three months)		-
Interest received		-
Net cash used in Investing activities (B)	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital (including share premium)		-
Proceeds from Share Application Money pending allotment		-
Proceeds from long-term borrowings		-
Repayment of long-term borrowings		-
Repayment of share warrant		-
Proceeds from short-term borrowings (net)		-
Interest paid		-
Net Cash Flow from financing activities (C)	-	-
Net Decrease in Cash and Cash equivalents (A+B+C)	-	(2.68)
Cash and cash equivalents at the beginning of the year	0.01	2.69
Cash and cash equivalents at the end of the year	0.01	0.01
Components of cash and cash equivalents		
Cash in hand		-
Cheques on hand		-
With banks-on current account	0.01	0.01
Total cash and cash equivalents (Note 8)	0.01	0.01

Summary of Significant Accounting Policies

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

As per our report of even date

For Lodha & Co
Firm Regn No FRN: 301051E
Chartered Accountants



G Subramania Sarma
Membership No 021756

For and on behalf of the Board of Directors



Director



Director

Place : Kolkata

Date : 26/04/2017

1 Corporate Information

The company was registered as a Public Limited Company in the State of West Bengal vide the certificate of registration dated 12 March 2008 issued by the Registrar of Companies, West Bengal under the name of Novel Choice Confectioners Retail Limited. The Registration Number of the company is U15411WB2008PLC124063. The registered office of the company is situated at 31, Netaji Subhas Road, Duncan House, Kolkata 700001. By the resolution passed by the members at their meeting held on 25 March 2009, the name of the company has been changed to Music World Retail Limited. The Company is presently engaged primarily in dealing, and trading of cassettes, compact discs and accessories and books.

2 Basis of Preparation

The financial statements of the Company have been prepared in accordance with measurement and recognition principles of Indian Accounting Standards (Ind AS) as issued by the Ministry of Corporate Affairs ("MCA").

For all period up to and including the year ended 31st March 2017, 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 31st March 2017 are for the first year in accordance with Ind AS. Refer to note 35 for information on how the Company adopted Ind AS.

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

The financial statements are presented in ₹ and all values are rounded to the nearest Lakhs (‘00,000), except when otherwise indicated.

Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as of the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current apart from the above

A liability is current when:

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

The Company classifies all other liabilities as non-current apart from the above.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.1 Significant Accounting Policies**a) Foreign Currency Transactions**

Foreign exchange transactions during the year are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the exchange rates on that date, the resultant exchange differences are recognized in the profit and loss account

b) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sale of goods

Revenue is recognized when significant risk and rewards of ownership of the goods get passed on to the buyers. VAT deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arises during the year.

Income from Recoveries and Services

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

Interest Income

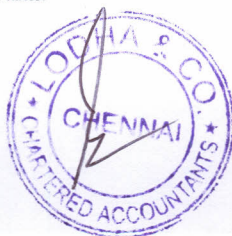
Revenue is recognized on a time proportionate basis taking into account the amount outstanding and rate applicable.

c) Taxes**Current income tax**

a) Provision for income taxes comprises of current taxes as also deferred taxes.

Deferred tax

b) Deferred Tax liability is recognized for the future tax consequences of the temporary differences between the tax basis and the carrying value of assets and liabilities. Deferred tax assets are recognized only if there is virtual certainty that they will be realized and are reviewed every year. The tax effect is calculated on the accumulated timing differences at the end of the year based on the enacted or substantially enacted taxes.



MUSIC WORLD RETAIL LTD

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

d) Fixed Assets

Fixed Assets are stated at historical cost. Cost comprises of purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Expenditure incurred in setting up of stores is capitalized as a part of Leasehold improvement.

e) Depreciation

Depreciation is charged on straight-line method at the rates prescribed under schedule II of the Companies Act 2013. Expenditure in respect of improvements etc carried out at the rented / leased premises are depreciated in 10 years. Depreciation on computer & software is charged at the rates applicable to computers.

f) Intangible assets

The carrying amount of assets is reviewed at each balance sheet date, 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. The recoverable amount is the greater of assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. For the purpose of assessing impairment, assets are regrouped at the lowest level, for which there are separately identifiable cash flows.

g) Leases

Leases of assets under which the lessor effectively retains all the risks and rewards of ownership are classified as operating lease. Operating Lease payment is recognized as an expense in the Statement of Profit and Loss on straight line basis over the leased term.

h) Inventories

Inventories are valued at lower of cost and net realizable value.

Packing materials are valued at cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost necessary to make the sale. Cost includes purchase price and other incidental expenses. Cost is arriving at under moving weighted average method.

i) Retirement and other employee benefits

a) Retirement benefits in the form of Provident & Superannuation Funds are defined contribution schemes and the contributions are charged to Statement of Profit and Loss of the year when the contributions to the respective funds are due.

b) Gratuity liability is a defined benefit obligation and contribution, by way of premium is made 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 at the end of each financial year.

c) Long term compensated absences are provided for on the basis of actuarial valuation.

d) Actuarial gains / losses are immediately taken to Statement of Profit & Loss and not deferred.

j) 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

k) Earnings per Share

Basic earnings per share before exceptional item are calculated by dividing the net profit or loss before exceptional item for the period attributable to equity shareholders by the weighted average number of equity share outstanding during the period.

Basic earnings per share after exceptional item are calculated by dividing the net profit or loss after exceptional item for the period attributable to equity shareholders by the weighted average number of equity share outstanding during the period.

l) Investment

Long term investments are carried at cost less provision for diminution in values which are other than temporary in nature.

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments and are valued at lower of cost and fair value.

m) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reasonable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.



3 FIXED ASSETS

3.1 TANGIBLE ASSETS

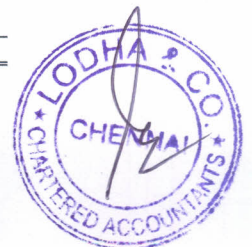
	<u>Leasehold Improvements</u>	<u>Plant & Machinery</u>	<u>Computer Hardwares</u>	<u>Vehicles</u>	<u>Furniture & Fixtures</u>	<u>Office Equipments</u>	<u>Capital Work in progress</u>	(₹ Lakhs) <u>Total</u>
Cost								
<u>As at 1st April 2015</u>								-
Additions								-
Transfer/Capitalisation								-
Disposals/Deductions								-
<u>As at 31st March 2016</u>	-	-	-	-	-	-	-	-
Additions								-
Transfer/Capitalisation								-
Disposals/Deductions								-
<u>As at 31st March 2017</u>	-	-	-	-	-	-	-	-
Depreciation								
<u>As at 1st April 2015</u>								-
Opening adjustment								-
Charge for the year								-
Disposals/Deductions								-
<u>As at 31st March 2016</u>	-	-	-	-	-	-	-	-
Opening adjustment								-
Charge for the year								-
Disposals/Deductions								-
<u>As at 31st March 2017</u>	-	-	-	-	-	-	-	-
Net Block								
<u>As at 1st April 2015</u>								-
<u>As at 31st March 2016</u>	-	-	-	-	-	-	-	-
<u>As at 31st March 2017</u>	-	-	-	-	-	-	-	-
Net Book Value		<u>31st March 2017</u>		<u>31st March 2016</u>		<u>1st April 2015</u>		
		₹ Lakhs		₹ Lakhs		₹ Lakhs		
Plant, Property and Equipments		-		-		-		-
Capital work in progress		-		-		-		-
Total		-		-		-		-

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.

3.2 INTANGIBLE ASSETS

	<u>Computer Softwares</u>	<u>Know- How and Licence</u>	<u>Capital Work in progress</u>	(₹ Lakhs) <u>Total</u>
Gross Block				
<u>As at 1st April 2015</u>			-	-
Additions				-
Transfer/Capitalisation				-
Disposals/Deductions				-
<u>As at 31st March 2016</u>	-	-	-	-
Additions				-
Transfer/Capitalisation				-
Disposals/Deductions				-
<u>As at 31st March 2017</u>	-	-	-	-
Amortisation				
<u>As at 1st April 2015</u>				-
Opening adjustment				-
Charge for the year				-
Disposals/Deductions				-
<u>As at 31st March 2016</u>	-	-	-	-
Opening adjustment				-
Charge for the year				-
Disposals/Deductions				-
<u>As at 31st March 2017</u>	-	-	-	-
Net Block				
<u>As at 31st March 2015</u>	-	-	-	-
<u>As at 31st March 2016</u>	-	-	-	-
<u>As at 31st March 2017</u>	-	-	-	-
Net Book Value		<u>31st March 2017</u>		<u>31st March 2016</u>
		₹ Lakhs		₹ Lakhs
Intangible assets		-		-
Intangible assets under development		-		-
Total		-		-



4 FINANCIAL ASSETS**4 Loans and advances**

	<u>31st March 2017</u> ₹ Lakhs	<u>31st March 2016</u> ₹ Lakhs	<u>1st April 2015</u> ₹ Lakhs
Deposits			
Considered Good	-	-	-
Considered Doubtful	-	-	-
Less: Provision for Expected Credit Loss	-	-	-
Less: Provision for Doubtful Deposits	-	-	-
Advances to Employees	-	-	-

5 DEFERRED TAX ASSET

The break-up of DTA is as follows:

	<u>31st March 2017</u> ₹ Lakhs	<u>31st March 2016</u> ₹ Lakhs	<u>1st April 2015</u> ₹ Lakhs
Timing difference in depreciable assets/Other Timing Differences			
Unabsorbed Depreciation / Business Losses carried forward	-	-	-
Business losses carried forward	-	-	-
Other Timing Differences	-	-	-
Net Deferred Tax Asset	-	-	-

6 INVENTORIES

(At lower of cost and net realisable value)

	<u>31st March 2017</u> ₹ Lakhs	<u>31st March 2016</u> ₹ Lakhs	<u>1st April 2015</u> ₹ Lakhs
Raw Material			
Traded Goods	-	-	-
Less : Provision for Obsolete Stock	-	-	-
Packing Materials			
Less : Provision for Obsolete Stock	-	-	-
Total	-	-	-

7 Trade receivables

(Unsecured, Considered Good unless otherwise stated)

	<u>31st March 2017</u> ₹ Lakhs	<u>31st March 2016</u> ₹ Lakhs	<u>1st April 2015</u> ₹ Lakhs
Considered good	-	-	-
Considered Doubtful	-	-	-
Less: Provision for doubtful receivables	-	-	-

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



8 Cash and Cash Equivalent

	<u>31st March 2017</u> ₹ Lakhs	<u>31st March 2016</u> ₹ Lakhs	<u>1st April 2015</u> ₹ Lakhs
Balance with Banks			
- On current accounts	0.01	0.01	2.67
Cash in hand			0.02
	<u>0.01</u>	<u>0.01</u>	<u>2.69</u>
Other bank balances			
Deposits with original maturity for more than 12 months			
Margin Money Deposit			
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>0.01</u>	<u>0.01</u>	<u>2.69</u>

For the purpose of the statement of cash flows, cash and cash equivalent comprise the following :

	<u>31st March 2017</u> ₹ Lakhs	<u>31st March 2016</u> ₹ Lakhs	<u>1st April 2015</u> ₹ Lakhs
Balances with banks:			
-On current accounts	0.01	0.01	2.67
- Cash in hand	-		0.02
	<u>0.01</u>	<u>0.01</u>	<u>2.69</u>

9 OTHER NON FINANCIAL ASSETS**Uncured considered good**

	<u>31st March 2017</u> ₹ Lakhs	<u>31st March 2016</u> ₹ Lakhs	<u>1st April 2015</u> ₹ Lakhs
Capital Advance			
Advance payment of Income tax			
Advances Recoverable in cash or in kind			0.19
Prepaid Expenses			
Balance with Statutory /Government Authorities			
Deposits for claims and tax disputes			
	<u>-</u>	<u>-</u>	<u>0.19</u>

12 BORROWINGS

	<u>31st March 2017</u> ₹ Lakhs	<u>31st March 2016</u> ₹ Lakhs	<u>1st April 2015</u> ₹ Lakhs
Interest free loan from holding company	2,039.15	2,039.15	2,039.15
	<u>2,039.15</u>	<u>2,039.15</u>	<u>2,039.15</u>



10 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	60,00,000	600.00	60,00,000	600.00	60,00,000	600.00
	60,00,000	600.00	60,00,000	600.00	60,00,000	600.00
Issued, subscribed and fully paid up Equity shares of ₹10 each	50,00,000	500.00	50,00,000	500.00	50,00,000	500.00
a) Reconciliation of Equity Shares outstanding at the beginning an	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
At the beginning of the year	50,00,000	500.00	50,00,000	500.00	50,00,000	500.00
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	50,00,000	500.00	50,00,000	500.00	50,00,000	500.00

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 each shareholder in excess of 5% of the shareholding in the Company -

Name of the party	No. of Shares	%	No. of Shares	%	No. of Shares	%
Spencer's Retail Limited	50,00,000	100.00%	50,00,000	100.00%	50,00,000	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 held by holding company

Out of the equity shares issued by the Company as on 31st March 2017, all shares are held by the Holding Company, Spencers Retail Limited.

11 OTHER EQUITY

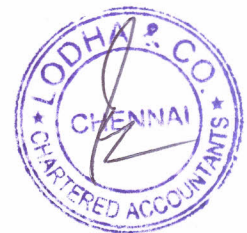
	31st March 2017	31st March 2016	1st April 2015
	₹ Lakhs	₹ Lakhs	₹ Lakhs
11 Share Application money pending allotment			
Balance as per last financial statements			
Addition during the year			
Reversal during the period			
Closing Balance		-	
11 Securities Premium Account			
Balance as per last financial statements	7,524.00	7,524.00	7,524.00
Addition during the year			
Reversal during the period			
Closing Balance	7,524.00	7,524.00	7,524.00
11 General Reserve			
Balance as per last financial statements	-		
Addition during the year	-		
Reversal during the period			
Closing Balance	-		-
11 Share Options Outstanding Account			
Balance as per last financial statements	-		
Addition during the period			
Reversal during the year, transferred to General Reserve	-		
Closing Balance	-		-
11 Deficit in the statement of profit and loss			
Balance as per last financial statements	(10,127.61)	(10,172.76)	(10,172.71)
Adjustment for Depreciation	-		
Loss for the year	(0.12)	45.15	(0.05)
Closing Balance	(10,127.73)	(10,127.61)	(10,172.76)
11 OCI Reserve			
Balance as per last financial statements	-		-
Addition during the period	-		-
Closing Balance	-	-	-
Total Reserves & Surplus	(2,603.73)	(2,603.61)	(2,648.76)



13 NET EMPLOYEE DEFINED BENEFIT LIABILITIES	<u>31st March 2017</u> ₹ Lakhs	<u>31st March 2016</u> ₹ Lakhs	<u>1st April 2015</u> ₹ Lakhs
Gratuity	-	-	-
Leave	-	-	-
	<u>31st March 2017</u> ₹ Lakhs	<u>31st March 2016</u> ₹ Lakhs	<u>1st April 2015</u> ₹ Lakhs
14.1 Trade Payable			
- Total outstanding dues of Micro and small enterprises (refer Note 36)	-	-	-
- Total outstanding dues of creditors other than Micro and small enterprises	64.59	64.47	112.49
	<u>64.59</u>	<u>64.47</u>	<u>112.49</u>
14.2 Other current financial liabilities			
Current maturities of long-term borrowing			
Book Overdraft in current account			
Interest accrued but not due on borrowings			
Interest accrued and due on borrowings			
Sundry Deposits			
Capital Creditors			
Others			
- Payables to Employees			
- Royalty Payable			
	-	-	-
Break up of financial liabilities carried at amortised cost			
	<u>31st March 2017</u> ₹ Lakhs	<u>31st March 2016</u> ₹ Lakhs	<u>1st April 2015</u> ₹ Lakhs
Borrowings (non-current) (Note 12)	2,039.15		
Trade payables (Note 14.1)	64.59	64.47	112.49
Total financial liabilities carried at amortised cost	<u>2,103.74</u>	<u>64.47</u>	<u>112.49</u>
15 OTHER CURRENT NON FINANCIAL LIABILITIES			
	<u>31st March 2017</u> ₹ Lakhs	<u>31st March 2016</u> ₹ Lakhs	<u>1st April 2015</u> ₹ Lakhs
Advance from Customers			
Statutory Liabilities			
Payables to Directors			
Other Expenses			
	-	-	-



	<u>2016-17</u>	<u>2015-16</u>
16 REVENUE FROM OPERATIONS		
Sale of Products (including Excise duty)		
Sale of goods		
Total Sale of Products	-	-
Income from Recoveries and Services		
	<u>-</u>	<u>-</u>
17 OTHER INCOME		
Interest Income on bank deposits		0.01
Net Gain on Sale of Current Investments		
Provisions no longer required written back		47.53
Miscellaneous Income		
	<u>-</u>	<u>47.54</u>
18 INCREASE IN INVENTORIES OF TRADED GOODS		
Inventories at the Beginning of the year	-	
Inventories at the end of the year		-
Increase in Inventories of traded goods	<u>-</u>	<u>-</u>
19 COST OF RAW MATERIALS CONSUMED		
Inventory at the beginning of the year		
Add: Purchases		
	<u>-</u>	<u>-</u>
Less: Inventory at the end of the year		-
Cost of raw materials consumed	<u>-</u>	<u>-</u>
20 EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages, Bonus and Exgratia		
Contribution to Provident and Other Funds (refer Note 34)		
Staff Welfare Expenses		
	<u>-</u>	<u>-</u>



	2016-17		2015-16	
21 OTHER EXPENSES				
Power and Fuel				
Freight				
Rent				2.25
Repairs and Maintenance				
- Plant and Machinery				
- Buildings				
- Others				
Insurance				
Rates and taxes				0.01
Advertisement and Selling Expenses				
Packing Materials Consumed				
Travelling and Conveyance				
Security Charges				
Auditor's remuneration				
Statutory Audit fees	0.10		0.10	
Tax Audit fees				
Others				
Service Tax				
Reimbursement of Expenses	0.02	0.12	0.01	0.11
Communication expenses				
Printing and Stationery				
Legal and consultancy charges				
Contract payments towards housekeeping expenses				
Miscellaneous Expenses				0.02
		<u>0.12</u>		<u>2.39</u>
22 DEPRECIATION AND AMORTISATION				
Depreciation of tangible assets		-		-
Amortisation of intangible assets		-		-
		<u>-</u>		<u>-</u>
23 FINANCE COSTS				
Interest Expense				
Other Borrowing Costs				
Other Bank Charges				
		<u>-</u>		<u>-</u>
24 COMPONENTS OF OTHER COMPREHENSIVE INCOME				
The disaggregation of changes to OCI in each type of reserve in equity is given below				
<u>During the year ended 31st March 2017 :</u>		<u>Retained Earnings</u>		<u>FVTOCI reserve</u>
Leave encashment-Actuarial gain loss				
Contr-Gratuity Fund- Actuarial gain loss				
Fair value of Investment in subsidiaries				
		<u>-</u>		<u>-</u>
<u>During the year ended 31st March 2016 :</u>				
Leave encashment-Actuarial gain loss				-
Contr-Gratuity Fund- Actuarial gain loss				-
Fair value of Investment in subsidiaries (Gain)				
		<u>-</u>		<u>-</u>



Basic and Diluted EPS have been calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year.

	31st March 2017	31st March 2016
	₹ Lakhs	₹ Lakhs
Loss for the year	-0.12	45.15
Weighted Number of Equity Shares outstanding	50,00,000	50,00,000
Earnings per Share – Basic & Diluted (Face value of ₹ 10 each)	-0.00	0.90

There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

26 Related Party Transaction

Holding Company	Spencer's Retail Limited
Ultimate Holding Company	CESC Limited
Subsidiary of the Holding Company	Au Bon Pain Café India Limited Omnipresent Retail India Pvt Limited Guiltfree Industries Limited
Other fellow subsidiary Companies	CESC Projects Limited CESC Properties Limited Metromark Green Commodities Private Limited Bantal Singapore Pte Limited CESC Infrastructure Limited Halda Energy Limited Dhariwal Infrastructure Limited Surya Vidyut Limited Nalanda Power Limited Papu Hydropower Projects Limited Pachi Hydropower Projects Limited Spn Liq Private Limited Firstsource Solutions Limited Ranchi Power Distribution Company Private Limited Mahugarhi Coal Company Private Limited (50 : 50) Joint Venture

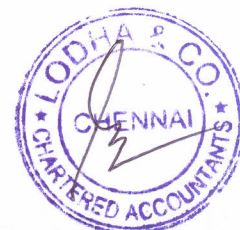
Related Party	Relationship	Nature of transaction	For the year ended	For the year ended
			31.3.17	31.3.16
			Rs Lacs	Rs Lacs
CESC	Ultimate Holding company	Electricity Bill	0	0
Spencer's Retail Ltd	Holding Company	Sale of assets Sale of goods Rent paid Rent Received Deposit Refund Commission Paid on sales Interest Free Loan from Holding Company Miscellaneous Exp incurred by Holding Co.		
CESC	Ultimate Holding company	Closing Balance (Debit)	0	0
Spencer's Retail Ltd	Holding Company	Closing Balance (Debit) Closing Balance (Credit)	Nil 2039.15	Nil 2039.15

27 Any key event during the Financial Year

During the Financial year 2016-17 a major fire broke out at the registered office of the company causing irreplaceable damage to the Sun Server where company's data were recorded and also physical documents relating to accounts finance and taxation got damaged in the fire.

28 Cash transaction

The company does not have any cash transaction during the Financial Year 2016-17 and nor have any cash balance as on 31st Mar 2017



29 First-time adoption of Ind AS

These financial statements, for the year ended 31 March 2017, are the first the company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March 2016, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2017, together with the comparative period data as at and for the year ended 31st March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the company's opening balance sheet was prepared as at 1st April 2015, the company's date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2015 and the financial statements as at and for the year ended 31st March 2016

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

Particulars	Footnote Reference	₹ Lakhs	
		As at 31st March, 2016 (End of Last Period presented under previous GAAP)	As at 1st April, 2015 (Date of Transition)
Total Equity (Shareholders' funds) under previous GAAP		-2,103.61	-2,148.76
Fair valuation to be done for rental deposits			
Provision for Asset retirement obligation			
Provision for ECL of rental deposit			
Loss due to CRM Points revaluation			
Accounting for processing fee of loans on EIR method			
Total Adjustment to Equity		<u>0.00</u>	
Total Equity under IND AS		<u>-2,103.61</u>	

