

SRL:SEC:SE: 2018-19/50

25 June, 2019

Manager (Listing)

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G-Block
Bandra-Kurla Complex
Bandra (East)
Mumbai – 400 051

(Symbol: SPENCERS)

The Secretary

BSE Limited
Phiroze Jeejeebhoy Tower
Dalal Street
Mumbai – 400 001

(Scrip Code: 542337)

The Secretary

The Calcutta Stock Exchange Limited
7, Lyons Range
Kolkata – 700 001

Sub: Annual Report for the financial year 2018-19

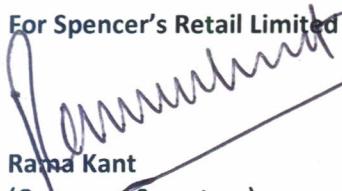
Dear Sir,

We enclose herewith a copy of the Annual Report of the Company for the financial year ended 31 March, 2019 together with the Notice dated 17 May, 2019 convening the Second Annual General Meeting of the company scheduled to be held on Friday, 19 July 2019 at 10.30 A.M. at Rangmanch, Raajkutir Swabhumi, 89C, Moulana Abul Kalam Azad Sarani, Kolkata, West Bengal-700054, in terms of Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended.

Thanking you,

Yours faithfully,

For Spencer's Retail Limited


Rama Kant
(Company Secretary)
FCS-4818



Encl: as above

Spencer's Retail Limited

(Formerly Known as RP-SG Retail Limited)

Regd. Office: Duncan House, 1st Floor, 31, Netaji Subhas Road, Kolkata-700 001

Tel: +91 33 6625 7600 Web: www.spencersretail.com

CIN: L74999WB2017PLC219355



RP - Sanjiv Goenka

Group

Growing Legacies

spencer's

Makes fine living *affordable*

Spencer's Retail Limited



ANNUAL REPORT **2018-19**

SPENCER'S RETAIL LIMITED

(Formerly known as RP-SG Retail Limited)

CORPORATE INFORMATION

Board of Directors	
Name of the Directors	Designation
Mr. Sanjiv Goenka	Non-executive Non-Independent Director and Chairman
Mr. Shashwat Goenka	Non-executive Non-Independent Director
Mr. Pratip Chaudhuri	Non-executive Independent Director
Ms. Rekha Sethi	Non-executive Independent Director
Mr. Utsav Parekh	Non-executive Independent Director
Mr. Debanjan Mandal	Non-executive Independent Director
Mr. Devendra Chawla	CEO and Managing Director
Mr. Rahul Nayak	Whole Time Director
Key Managerial Personnel	
Mr. Arvind Kumar Vats	Chief Financial Officer (CFO)
Mr. Rama Kant	Company Secretary and Compliance Officer
Auditors	Solicitors
Batliboi, Purohit & Darbari, Chartered Accountants	Khaitan & Co.

Registered Office Duncan House 31, Netaji Subhas Road, Kolkata 700 001, India Tel : 033-6625 7600/7700	Bankers Axis Bank Limited ICICI Bank Limited State Bank of India Limited Yes Bank Limited	Registrar and Share Transfer Agent Link Intime India Private Limited Address -C 101, 1st Floor, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400083 Tel: +91 22 49186000 Email Id - mrt.helpdesk@linkintime. co.in Website: www.linkintime.co.in
Corporate Identity Number: L74999WB2017PLC219355 E-mail: spencers.secretarial@rp-sg.in Website: www.spencersretail.com	Listing of Shares The National Stock Exchange of India Limited (NSE) The BSE Limited (BSE) The Calcutta Stock Exchange Limited (CSE)	Depositories National Security Depository Limited (NSDL) Central Security Depository (India) Limited (CDSL)
Wholly Owned Subsidiary Omnipresent Retail India Private Limited.		

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Makes Fine Living Affordable

India is passing through an unprecedented transformation.

A transformation in income, lifestyle, awareness and exposure.

The biggest transformation is in aspirations – the need to live better.

For long, fine living was considered exclusive, expensive, inaccessible and unaffordable.

At Spencer's Retail Limited, we are challenging this paradigm.

Through a differentiated business model democratising a higher living standard.

By making fine living affordable.

8

things you need to know about Spencer's Retail Limited

① RP-Sanjiv Goenka Group's Ethical pedigree

Vision: Inclusive growth fired by free-spirited entrepreneurship

Core values: Six core values reflect the Group's fundamental beliefs and are the guiding principles that help to determine the right path.



② Rich legacy

Spencer's (incorporated in 1863) was owned by a British gentleman. The Company was Indianised in the 1960s and became part of the RPG Group in 1989. The Company established a first-mover advantage in India's retail industry a couple of decades ago and now accounts for the second largest count of large format stores across India. The Company operates retail stores across various formats and markets products across diverse categories (food, fashion, general merchandise, consumer durables and electrical). The Company is headquartered in Kolkata, India.

③ Diversified offerings

Spencer's offers a diverse assortment of food, personal care and lifestyle (fashion, home, entertainment). The Company offers a wide range of 88,000+ SKUs across all categories. The Company has established a differentiated recall through specialty sections (Spencer's Gourmet, Patisserie, Wine, Liquor and the Epicuisine section).

④ Presence

The Company's pan-India presence comprises 156 stores, including 74 large format stores in 33 cities with a trading area of 13.69 lakh sq ft. The Company has selected to deepen its presence in North, East and South India. Spencer's also provides consumers with the option of buying online in 8 cities. The Company services the growing needs of customers.

⑤ Our brands

The Company has developed a portfolio of bespoke own brands enjoying a high unaided consumer recall, celebrity endorsement and a superior price-value proposition:

The brands span across categories such as Apparel, FMCG, Personal care, Home care and Electricals. Some of the own brands are 2Bme, Smart Choice, Trusted Value, Care & Essentialz, Clean Home and Besser.

⑥ Distribution centres

The Company's eight distribution centres are located proximate to its retail stores to moderate logistics delivery tenures and costs, strengthening inventory control.

⑦ Employees

The Company had employed 5,379 individuals across customer-facing and managerial positions as on 31st March 2019. The average age of the Company's employees is 28 years.

⑧ Listing

The retail business of CESC Limited and its subsidiary was demerged from 1st October 2017 and spun off into a standalone company called Spencer's Retail Limited. The Company was listed on the National Stock Exchange (NSE), Bombay Stock Exchange (BSE) and Calcutta Stock Exchange (CSE) in India in 2018-19.



Our large format stores*

74 stores

33 cities

>5000 sq ft,
trading area

85% Share of revenues
in FY19

Key differentiators

- Destination format
- Offers all categories; non-food category comprises apparel, general merchandise and electronics
- Focus on high volume and lower cost

Large format store assortment



- Food, grocery and FMCG 79%
- Apparel and general merchandise 21%

*As on 31st March 2019

Our small format stores*

82 stores

18 cities

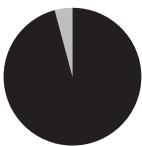
<5000 sq ft,
trading area

15% Share of revenues
in FY19

Key differentiators

- Convenience format
- Near residential pockets; enhances consumer convenience
- High focus on fast moving products with an emphasis on neighbourhood requirements

Small format store assortment

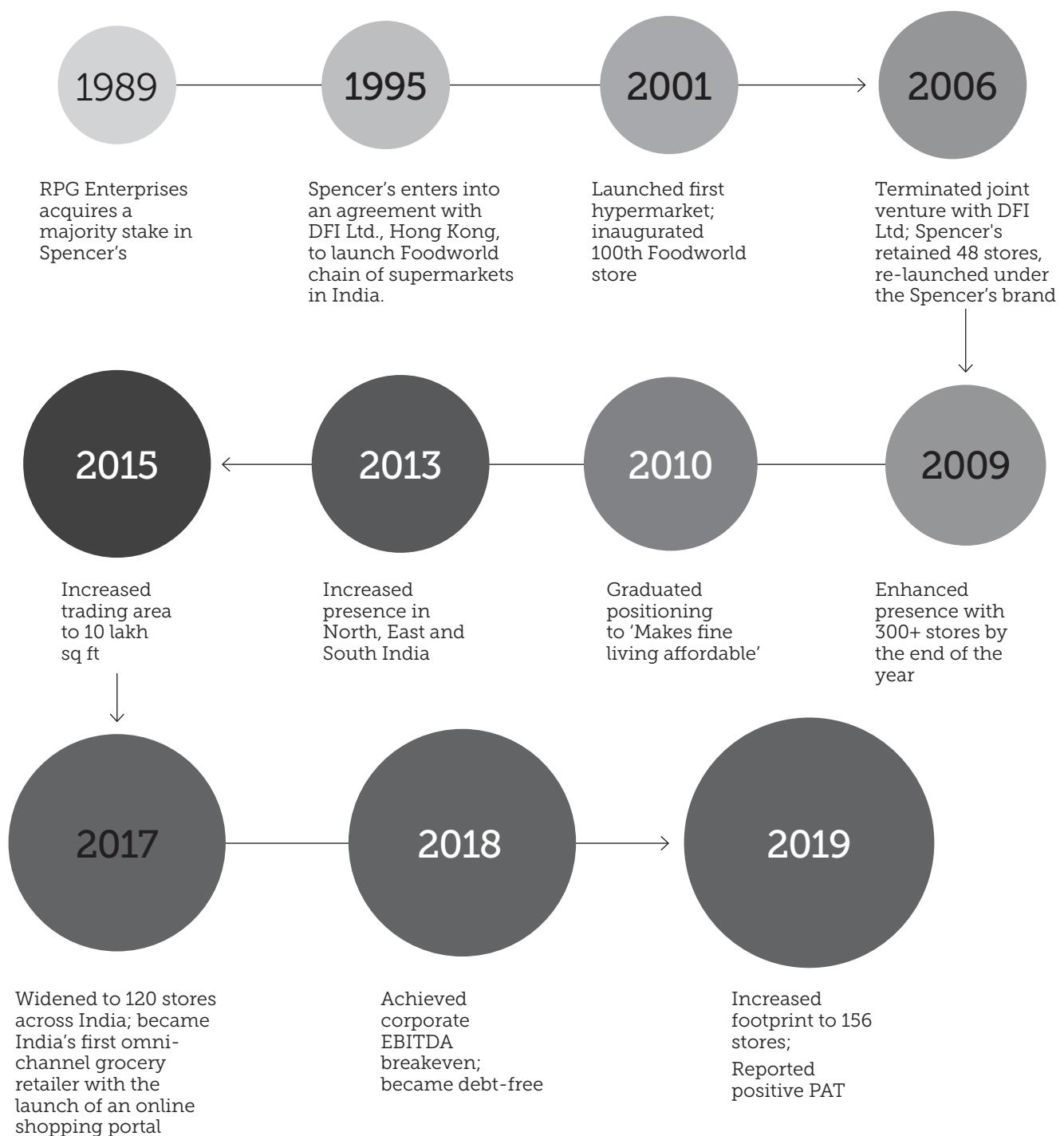


- Food, grocery and FMCG 96%
- Apparel and general merchandise 4%

*As on 31st March 2019



How we grew over the years



Awards

⊖ 2018

- Food and Grocery Retailer of the Year at Franchise India Awards, 2018
- IMAGES Most Admired Retailer of the Year: Customer Relations by IMAGES Retail Awards 2018 organised by India Retail Forum
- India's Buzziest Brands 2018 (13th Edition) 1st Runner Up (Category -Retail)
- Most Admired Retailer - Brand Partnership of the Year (2017-18) for Spencer's Retail's association with Kissan at the India Food Forum Awards organised by India Retail Forum

⊖ 2017

- Food & Grocery Retailer of the Year – 2017 at the Star Retailer Awards 2017 organised by the Franchise India
- Most Admired Retailer for Store Design & Visual Merchandising at the Images Retail Awards, 2017 organised by India Retail Forum
- Most Admired Omni-channel Retailer of the Year - 2017 at the Images Retail Awards, 2017 organised by India Retail Forum
- Hypermarket of the Year - 2017 at Annapoorna Food Retail Awards organised by Retail Association of India (RAI) and FICCI
- Most Admired Food and Grocery Retailer of the Year for Best Category Performer - 2017 across multiple categories at the Coca Cola Golden Spoon Awards organised by India Retail Forum



How Spencer's has grown its performance

Revenue from Operations (₹ crore)	
FY2018-19	2,187
FY2017-18*	1,043

Definition

Sales and other operating revenue net of taxes.

Why this is measured

It is an index that showcases the Company's ability to maximise revenue, providing a basis against which the Company's success can be compared with sectoral peers.

What this means

Aggregate Revenue from Operations stood at ₹ 2,187 crore in FY2018-19. The Company witnessed increased product offtake as a result of same-store growth and increased store rollout.

Value impact

Improved product offtake enhanced the Company's revenue and provided an increased room to cover fixed costs.

EBITDA (₹ crore)

FY2018-19	41.72
FY2017-18*	9.38

Definition

Earning before of interest, depreciation & amortisation, impairment, extraordinary items and tax.

Why this is measured

It is an index that showcases the Company's ability to generate a surplus after optimising operating costs, providing a base for comparison with sectoral peers.

What this means

It helps in creating a robust growth surplus-generating engine that enhances reinvestment.

Value impact

The Company reported an EBITDA of ₹ 41.73 crore in FY2018-19, an outcome of initiatives in improving operational efficiency.

EBITDA margin (%)

FY2018-19	1.91
FY2017-18*	0.90

Definition

EBITDA margin is a profitability measure to ascertain a company's operating efficiency

Why this is measured

The EBITDA margin provides an idea of how much a company earns (before interest, depreciation & amortisation, impairment, extraordinary items and tax) on each rupee of revenue from operations.

What this means

This measure demonstrates the buffer in the business, which when multiplied by scale, can potentially enhance the surplus.

Value impact

The Company reported EBITDA margin of 1.91% in FY2018-19.

Net profit (₹ crore)

FY2018-19	7.94
FY2017-18*	(9.10)

Definition

Profit earned during the year after deducting all expenses and taxes.

Why this is measured

It highlights the strength of the business model in enhancing value for shareholders.

What this means

This ensures that adequate cash is available for reinvestment, leading to business sustainability.

Value impact

The Company reported an improvement in profitability in FY2018-19, reflecting the growing attractiveness of its business model.

*Pursuant to the scheme becoming effective from appointed date i.e. 1st October 2017, the financial numbers of FY2018-19 are not comparable with the financial numbers of FY2017-18.

Spencer's Retail. Proactively transformed its personality to emerge as an excitingly differentiated Indian retail company

⊖ We were a single-channel retail company.

We are an omni-channel retail company today.

⊖ We provided an acceptable store experience earlier.

We have taken this standard ahead today.

⊖ We stocked virtually everything that most retail stores would have earlier.

We now stock a number of things that consumers are unlikely to find anywhere else in Indian retail stores today.

⊖ We positioned our retail brand in sync with the aspiring Indian.

We have deepened this recall through various initiatives.

⊖ We merchandised extensively across food to draw footfalls.

We are evolving our positioning to affordable contemporary fashion, food and general merchandise today.

⊖ We were singularly focused on enhancing business hygiene.

We are leveraging this foundation to accelerate revenues today.

Chairman's speech



"Our Company is investing in the Four A's – Availability, Accessibility, Affordability and Analysability – with the objective to build one of India's most loved retail brands."

Dear Shareholders,

This is the first Annual Report of your Company following its listing in January 2019. In this, my first letter to you, let me explain why I believe that Spencer's Retail occupies an attractive space in what is probably the most exciting retail market in the world.

Let me start with India and why it is such a compelling proposition. India will not only be the most populous nation in the world by 2024, but also have by far the largest number of younger people and the youngest large economy by median age. India is among the three largest countries by purchasing power parity and is rapidly urbanising.

Although India remains one of the most under-consumed among the larger economies, there is no doubt that the consumption-drive of India has awakened. More than ever before, India is a truly exciting place for organised retail.

Today, the Indian shoppers seek to – and to be seen to – living better. They are willing to spend larger parts of their income on new experiences. Instead of opting for the cheapest, they are willing to pay more for something that will make

them proud, stand out and be seen as different. Just walk along any major city or any of its large malls and you will immediately see what I mean.

These changes are creating opportunities for India's organised retail and for dynamic companies like yours to seek a disproportionate share of this growth.

That is what we aim to do. In this journey we need to be both careful and imaginative. Careful in keeping a tight control on costs, operations and imaginative in our journey to upscale consumer experience in each Spencer's store. We need to focus more high-value merchandise and own brands, introduce specialty sections and grow in our chosen geographies without missing out on new opportunities. With a pan-India presence of 156 stores with a trading area of almost 13.69 lakh sq ft, and over 88,000 SKUs across different categories, your Company is attractively placed to move into a new trajectory.

Spencer's Retail is investing in what it calls 'the Four A's' – Availability, Accessibility, Affordability and

These changes are creating opportunities for India's organised retail and for dynamic companies like yours to seek a disproportionate share of this growth.

Analysability – to build one of India's most dynamic and preferred retail brands. It has renewed its business model; it has a competent management bandwidth; there is no financial leverage; it has strong cash reserves.

I am optimistic that various initiatives undertaken over the last few years should translate into stronger business momentum, which enhances value for all our customers and for you, a shareholder of this Company.

Yours sincerely,
Sanjiv Goenka
Chairman

CEO and Managing Director's message

Spencer's Retail. Promising a holistically superior experience

At Spencer's Retail, 'Naya kya hai?' is being increasingly heard across retail trading spaces. The consumer bargaining down to the last rupee for staples is willing to buy a premium product priced considerably higher.

The consumer who would have brought a standardised cheese brand for years is now willing to try out from an assortment of a dozen varieties.

At Spencer's Retail, we are enriching experiences with a keener passion than ever.

Our product assortments are widening. We are strengthening our merchandise with products customers never knew they needed. We are increasing the proportion of global products in our merchandise and enhancing the design quotient of our stores.

We are empowering consumers to buy online through our omni-channel retail option where we get closer to customers and deliver products at their doorstep.

We are redefining our assortment with a higher share of owned brands to drive profitability.

The result is that the Spencer's Retail experience stands for a distinctive recall that our customers have described in various ways. Some have said, 'it is a place we like to be'. Others have said, 'we have good experience yet good prices.'

At Spencer's Retail, we are optimistic of our prospects because we will continue to invest in a superior experience that enhances footfalls, strengthens wallet share and increases our business surplus.

In doing so, we would be validating that in today's aspirational driven world, a superior experience represents the foundation of business sustainability.

Yours sincerely,
Devendra Chawla
CEO and Managing Director

We are redefining our assortment with a higher share of owned brands to drive profitability.

Spencer's optimism comes from the fact that our business model is distinctive and differentiated from other retail brands in India

The national economic context

- India is the fastest growing trillion dollar economy (source: [investopedia.com](#))
- India is the sixth largest global economy and projected to emerge as the third largest by 2030 (source: [financialexpress.com](#))
- India is urbanising faster than any country; urbanisation is expected to increase from around 33% to 40% by 2030 on a larger population (source: [thewire.in](#))
- India is the second largest global population, expected to become the most populous by 2024 (source: [timesofindia.indiatimes.com](#))
- India is the 'youngest' among major economies. Millennials constitute nearly 34% of the

country's total population, indicative of a long economically productive life cycle. (source: [livemint.com](#))

- India possesses possibly the largest population of economically productive individuals (source: [www.investopedia.com](#))
- India has the highest savings rate among prominent countries – considerably higher than US, China or UK
- India's per capita income is projected to rise 2x by 2027 (source: [Morgan Stanley](#))
- India's middle-class households is projected to rise 4x from the 2010 level to 148 million by 2030 (source: [ibef.org](#))

The Indian retail sector context

- India's organised retail sector penetration is only at around 7% compared with 85% in US (source: [careratings.com](#))
- India's retail sector is growing at a robust pace
- India is extensively under-consumed across products compared with the global average (air-conditioning ~4-5% compared with global average of 30%)
- Indian retail sector is competitive comprising the presence of large and small retail brands, marked by thin margins (source: [ibef.org](#))
- Most Indian retail sector brands focus on price-based leadership (source: [goleyslatter.com](#))
- India's e-commerce sector grew at 31% CAGR (South Korean CAGR

13% and China and Japan at 10%) (source: [fashionunited.in](#))

- In India, 70% of buying decisions made at the point of purchase, with impulse purchases prominent (source: [thehindubusinessline.com](#))
- India's growing literacy (74% in 2011) is linked to organised retail growth (source: [census2011.co.in](#))
- India's retail sector is projected to grow to USD 1.3 trillion by 2020 from USD 672 billion in 2017 (source: [timesofindia.indiatimes.com](#))
- More Indians are aspiring for the experiential over the functional
- Emerging technologies such as IoT, AR and VR, Artificial Intelligence, BOTS, drones, beacons and cloud platforms, among others, are playing a growing role in consumer engagement in India



Spencer's relevant business model positioning

Pedigree: Spencer's is a trusted brand in India's retail universe with a rich legacy of more than 150 years in existence.

Proposition: We do not compete solely on the basis of the lowest price; we have evolved our business model to provide a formidable combination (price plus choice plus service plus freshness), strengthening recall and footfalls

Target audience: We do not position ourselves as everything for everybody; we address consumers with growing disposable incomes and aspirations, earning couples (double-income) and those who may have migrated into a new location or city

Aspirational: We are not a retail brand offering what would normally have been available within an organised neighbourhood store; we offer a merchandise-plus proposition where we address the aspirational aspect within each product segment. As a result, our food category, for instance, addresses the wide range of nutritional, organic, gluten-free, fusion and global as opposed to the conventional stocking of only local or regional products

Geographic focus: We are not driven by the prospect of widening our footprint in the shortest time; we select to focus on a relatively limited number of cities, drilling deeper within. Besides, our cluster principle is focused on the aggregation of a large number of stores within a city rather than standalone stores across a number of cities. We believe that the intensive cluster-based approach generates superior economies of recall, procurement, promotions, supervision, distribution, administration and a critical mass of consumption data leading to customised merchandising



Research-based: We do not expand our presence on the basis of gut-feel or attractive realty propositions; we seek to commission stores after comprehensively mapping a city's demographics for consumer age, profiles, economic backgrounds and spending potential.

Customised formats: We do not have a standard solution when it comes to format nature and size; we are flexibly structured to launch retail stores across different formats based on the anticipated traction

and catchment size – large format stores (above 5,000 sq ft) and small format stores (below 5,000 sq ft)

Evolving categories: We are not frozen in time when it comes to category presence; we went into business with a distinctive food focus but extended into categories like fashion. The result is that our nascent non-food category is growing, strengthening our differentiation from most large retail brands and enhancing our margins.



Omni-channel: We are not a dedicated brick and mortar retail enterprise; we responded to the consumer's growing need for purchase convenience through an omni-channel approach that makes it possible to buy online with the click of a button in addition to the brick-and-mortar experience. Our online marketplace is synced with our physical stores resulting in the offering of similar prices, identical SKUs and timely delivery.

Own brands: We have selected to complement the stocking of diverse leading brands with Spencer's own brands, strengthening our promotional room, price-competitiveness, target customer focus, plugging category gaps and adding gourmet varieties – and in doing so, strengthening our margins

Operational excellence: We do not seek to increase sticker prices and pass on cost increases; we focus on deepening our operational

excellence with the objective of transforming diverse variables into consistently constant delivery that make it possible to enhance efficiencies, reduce costs and enhance value from within. We made proactive IT investments in advanced supply chain cum checklist management software and warehousing management system.

Strategic Business Unit: We do not believe that the Company is a monolithic business unit with an opaque Profit & Loss pass-through of various initiatives aggregated across regions; we have structured our company across region-based strategic business units (Eastern India / National Capital Region and Western Uttar Pradesh / Andhra Pradesh and coastal Andhra Pradesh / Chennai and Kerala) responsible for their respective business viability. While strategic policies are formulated at the Head Office, the regional offices (headed by the regional operations manager supported by regional support teams) are responsible for policy implementation.

Experience: We do not seek to offer the same retail store environment as our competitors; we provide a superior and aspirational experience comprising differentiated store size, layout, design and location.

Technology: We do not use legacy systems; we use a combination of SAP-based ERP system and proprietary tools to analyse consumer behaviour and offer customised schemes.



INDIA'S GROWING MIDDLE-CLASS

Aspiring and affluent households earning between ₹ 5 lakh and ₹ 20 lakh per annum have helped spur domestic consumption in India over the past decade, as per a report by BCG. These income groups, constituting 28% of all households, contributed to 43% of the ₹ 110 trillion in India's annual consumption in 2018. Domestic consumption in India in the last decade increased 3.5x from ₹ 31 trillion to ₹ 110 trillion. The report estimates that could touch ₹ 335 trillion by 2028. This is

expected to drive indulgence spending, increase expenditure quantum and frequency of spending on key categories (food, fashion, luxury products and consumer durables).

Around 23% of the global middle-class would be from India by FY30 and any business directed at enhancing their lifestyle standard through increased product affordability would stand to benefit. Source: www.livemint.com

India: One of the most attractive consumption economy opportunities in the world

Indian organised retail at an inflection point; quicker growth from this point

India's online purchase market also at an inflection point; sharp traction foreseen

Makes fine living affordable

Rapidly improving operational metrics

Efficient working capital

DESIRED OUTCOMES OF OUR BUSINESS MODEL

To generate the spontaneous brand recall of 'If it is Spencer's, it must be different'

To be the dominant retailer in the clusters of our presence (higher share of mind, voice and wallet)

To be respected as a retail brand that enhances the consumer experience as distinct from a discount-based recall

To graduate to the Top Box in every category of presence

To generate a growing proportion of revenues from non-food categories; to emerge as one of the first points of access for affordable contemporary fashion

To emerge as a respected company across the financial markets for generating quarter-on-quarter growth

To progressively grow customer stickiness through increased customer wallet share

To emerge as the most sought-after retail brand in the areas of its presence

OUR DISTINCTIVE VALUE PROPOSITION

Price



The ability to match the best price offers of competing retailers



Promotions focused on the most important SKUs



Focus on being the best-priced retail brand in the vicinity of presence

Choice



Focus on offering the widest assortment size



Increasing number of SKUs per category



Range wider than competing retail brands

Service



Deliver to consumer residences



Focus on customer friendliness and engagement



Deployment of CRM-based programme



Localised and targeted promotions

Freshness



Stock SKUs closer to manufacturing/production date



Direct sourcing of fruits, vegetables, fish and meat

+ Globalising influence on consumption due to the 'smartphone-induced social media effect'

+ Increased disposable incomes and discretionary spending

> Quicker growth foreseen for India's organised retail sector

+ Sizeable cash corpus

+ Superior combination value of price, choice, service and freshness

< Spencer's Retail positioned differently to capitalise





④ Supply Chain Management

Our supply chain operation focuses on putting products on shelves just when consumers want them – anywhere and anytime.

④ Our governance commitment

Our fundamental approach to governance is derived from communication - intensity, integrity, periodicity and transparency.

④ Marketing

At Spencer's, we are repositioning ourselves as a 'food-and-fashion' retail brand in the country.

④ Information Technology

Information Technology represents the platform for Spencer's sustainable success.

④ Projects

We will concentrate on key geographic clusters when accelerating store rollout.

⊕ Electrical and Electronics

Spencer's offers one of the largest assortments of small appliances among organised retailers in India.

⊕ General Merchandise

We intend to enhance our price-value proposition to drive impulsive purchase.

⊕ Dairy and Non-food FMCG

We provide a superior consumer value through unmatched assortments.

⊕ Fresh Food

Over the years, Spencer's has emerged as a trusted brand in the fresh foods segment.

⊕ Staples

A strict independent audit of new vendors ensures a high product quality.







"The Company strengthened its position as a great place to work through enhanced emotional ownership, empowerment and role expansion"

The big numbers

5,379

Number of employees,
31 March 2019

28

(years)
Average age

18

Women as % of
workforce

1

% of employees
recruited from National
Apprenticeship
Promotion Scheme

"The Company's positive attitude in two words - 'fail fast'

"The role expansion within our company has been a bureaucracy slayer"

"The Company has few management layers. Conversations move across levels with speed"

"The tenure that an individual spends in a role at Spencer's Retail is much lower than in other companies"

"The Company possesses a combative marketplace spirit."

"People act without the fear of failure"

"There couldn't be anything worse at the Company than not taking a decision"

"The average speed in response to emails and messages at Spencer's Retail is much faster than most other places"

"Spencer's Retail is agile and nimble. Things move with speed at the Company"

"This is a 'baat karo, khatam karo' culture where discussions help resolve issues and move things fast ahead"

"Everybody believes that she or he owns the Company"

"The executive who joined in one position is now working in a completely different position because the Company facilitates cross-functional movement"

"Spencer's Retail believes in being honest to customers about products"



Our Supply chain efficiency

Lean cost structure with centralised replenishment control

Distribution and collection centres located in critical geographies functioning as

- ⊖ Local sourcing hubs
- ⊖ Commodity repack centres
- ⊖ Fresh sourcing from farmlands

SAP-enabled back-end to support scalability

Technology used to reduce in-transit and overall inventory

Full implementation of Warehouse Management System

Machine learning to handle multi-dimensional and multi-variety data

- ⊖ Uses machine learning in sales forecasting and predicting optimum inventory



How we plan to expand our footprint



Focus on defined geographic areas



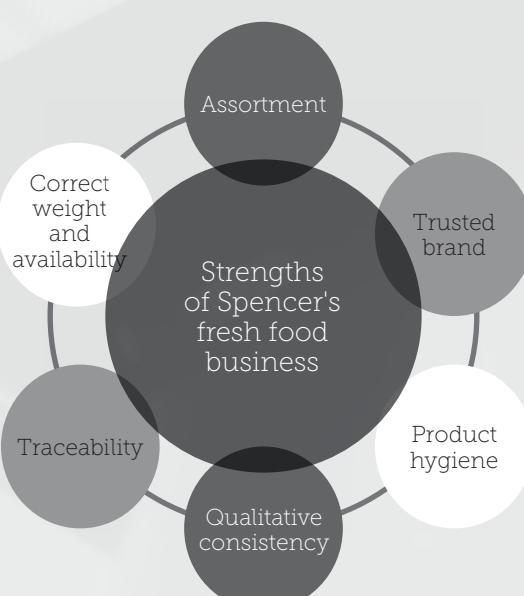
Penetrate deeper in existing geographies



Enhance available store space

2.08

Trading area (in lakh sq ft) across new stores opened in FY2018-19



Faster
The Spencer's project team successfully moderated store rollout tenure and time-to-market across the last couple of years.





There has been a growing importance of value-creation report as a communication discipline

Our value-enhancing resources



Financial capital: The financial resources that we seek are based on funds we mobilise from investors, promoters, banks and financial institutions in the form of debt, net worth or accruals.

Manufactured capital: Our assets, technologies and equipment constitute our manufactured capital.

Human capital: Our management, employees and contract workers form a part of our workforce, their experience and competence enhancing value.

Intellectual capital: Our focus on cost optimisation and operational excellence, as well as our repository of proprietary knowledge account for our intellectual resources.

Social and relationship capital: Our relationships with communities and partners (vendors, suppliers and customers) influence our role as a responsible corporate citizen.

Value created



Financial capital: Revenue from operations ₹ 2,187 crore; Earnings per share ₹ 1.00

Manufactured capital: 29 new stores opened with an addition of 2.08 lakh sq ft of store space

Human capital: Total Number of employees 5,379

Intellectual capital: On an average senior management experience of 20 years

Social and relationship capital: Number of bill cuts 33 mn

FRUITS

Our key strategies

The retail environment is changing rapidly. The following are key strategies to adapt to these changes.

Key strategic pillars	Importance	Performance indicators
Profitable growth in geographies with high retail spend	Instead of Balance Sheet-stretching expansion, a focus on four high spending markets and penetrate deeper to achieve highest market share	Opened 29 new stores measuring 2.08 lakh sq ft
Targeting a well-defined customer-base through diverse and differentiated product offerings and superior customer experience	Increase footfalls at the store as well as drive average bill value	Added customers during the year across channels
Robust own brand program	Drive profitability through own brands	Increased share of own brands from 11.9% in FY2018 to 12.5% in FY2019
Optimal product mix driving profitability	Increase the share of non-food items and drive profitability	Improved margins in the non-food categories
Efficient operations ensuring a lean cost structure	Enhance profitability through efficient operations	Reduced supply chain cost to sales during the year under review
Growing omni-channel presence	Leverage the growing online purchase trends and retail customers	Online revenues reported significant growth

Board of
Directors'



Sanjiv Goenka



Shashwat Goenka



Pratip Chaudhuri



Rekha Sethi



Utsav Parekh



Debanjan Mandal



Devendra Chawla



Rahul Nayak

Notice to Members

Notice is hereby given that the Second Annual General Meeting of the Members of Spencer's Retail Limited will be held at Rangmanch, Raajkutir Swabhumi, 89C, Moulana Abul Kalam Azad Sarani, Kolkata, West Bengal-700054, on Friday, 19th July 2019 at 10.30 A.M. for the following purposes:

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2019, including Consolidated Audited Financial Statements for the financial year ended on that date together with the Reports of the Board of Directors and Auditors thereon.

SPECIAL BUSINESS:

To consider and, if thought fit, to pass, with or without modifications, the following Resolutions:

2. AS AN ORDINARY RESOLUTION

RESOLVED THAT Mr. Sanjiv Goenka (Director Identification Number: 00074796), who was appointed as an Additional Director with effect from 14th November 2018 on the Board of Directors of the Company in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013, read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Sanjiv Goenka, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid Resolution."

3. AS AN ORDINARY RESOLUTION

RESOLVED THAT Mr. Shashwat Goenka (Director Identification Number: 03486121), who was appointed as an Additional Director with effect from 14th November 2018 on the Board of Directors of the Company in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of section 152 and any other applicable provisions of the Companies Act, 2013, read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Shashwat Goenka, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid Resolution."

4. AS AN ORDINARY RESOLUTION

RESOLVED THAT Mr. Utsav Parekh (Director Identification Number: 00027642), who was appointed as an Additional Director with effect from 14th November 2018 on the Board of Directors of the Company in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Mr. Utsav Parekh, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for a period of 5 (five) consecutive years with effect from 14th November 2018 to 13th November 2023.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid Resolution."

5. AS AN ORDINARY RESOLUTION

RESOLVED THAT Mr. Pratip Chaudhuri (Director

Identification Number: 00915201), who was appointed as an Additional Director with effect from 14th November 2018 on the Board of Directors of the Company in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Mr. Pratip Chaudhuri, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for a period of 5 (five) consecutive years with effect from 14th November 2018 to 13th November 2023.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid Resolution."

6. AS AN ORDINARY RESOLUTION

"RESOLVED THAT Ms. Rekha Sethi (Director Identification Number: 06809515), who was appointed as an Additional Director with effect from 14th November 2018 on the Board of Directors of the Company in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Ms. Rekha Sethi, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the

Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for a period of 5 (five) consecutive years with effect from 14th November 2018 to 13th November 2023.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid Resolution."

7. AS AN ORDINARY RESOLUTION

"RESOLVED THAT Mr. Debanjan Mandal (Director Identification Number: 00469622), who was appointed as an Additional Director with effect from 11th February 2019 on the Board of Directors of the Company in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Act and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Mr. Debanjan Mandal, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for a period of five (5) consecutive years with effect from 11th February 2019 to 10th February 2024.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid Resolution."

8. AS A SPECIAL RESOLUTION

"RESOLVED THAT Mr. Devendra Chawla (Director Identification Number: 03586196) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 11th February 2019 and who holds office upto the date of the forthcoming Annual General Meeting be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013

and rules made thereunder (including any statutory modification or any re-enactment thereof) read with the Articles of Association of the Company and subject to such other approvals as may be necessary, the Company hereby approves the appointment of Mr. Devendra Chawla ("Mr. Chawla") as Chief Executive Officer (CEO) and Managing Director of the Company for a period of three years with effect from 11th February 2019 on the terms and conditions contained in a letter to be issued to Mr. Chawla in terms of the draft placed before the meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to agree, make, accept and finalize all such terms, condition(s), modification(s) and alteration(s) as it may deem fit and to resolve and settle all questions, difficulties or doubts that may arise with regard to the above resolution and to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental as the Board in its absolute discretion may deem fit and do all acts and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid Resolution."

9. AS A SPECIAL RESOLUTION

"RESOLVED THAT Mr. Rahul Nayak (Director Identification Number: 06491536) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th November 2018 and who holds office upto the date of the forthcoming Annual General Meeting be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification or any re-enactment thereof) read with the Articles of Association of the Company and subject to such other approvals as may be necessary, the Company hereby approves the appointment of Mr. Rahul Nayak ("Mr. Nayak") as Whole-time Director of the Company for a period of three years with effect from 14th November 2018 on the terms and conditions contained in a letter to be issued to Mr. Nayak in terms of the draft placed before the meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to agree, make, accept and finalize all such terms, condition(s), modification(s) and alteration(s) as it may deem fit and to resolve and settle all questions, difficulties or doubts that may arise with regard to the above resolution and to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental as the Board in its absolute

discretion may deem fit and do all acts and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid Resolution."

10. AS A SPECIAL RESOLUTION

"RESOLVED THAT in terms of Section 180(1)(a) and other applicable provisions, if any of the Companies Act, 2013 read with any applicable rules made thereunder, consent of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage / charge / or otherwise encumber all or any of the assets of the Company whether immovable or movable and whether present or future by way of charge in favour of or for the benefit of one or more Bank(s) / Financial Institution(s) / NBFCs / other lenders [hereinafter refer to as "Lender(s)"] providing the facilities to the Company within a overall limit of ₹ 350 crore with such ranking of charge and on such other terms and conditions as may be agreed to by one or more of the Lender(s).

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to finalize the arrangement with one or more of the Lender(s) and to give effect to the creation of the aforesaid security and to execute all such other deeds or documents connected therewith and ancillary thereto, which may be deemed necessary to give effect to the above Resolution and to make filing of all forms with all government authorities including the Registrar of Companies and make the necessary entries in the statutory records together with all forms and documents and to do all such acts and things as may be deemed necessary and expedient in this regard."

11. AS A SPECIAL RESOLUTION

"RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, consent of the Company be and is hereby accorded to the Board of Directors of the Company (the Board) to invest a sum upto ₹ 250 crore for acquiring shares / other securities of body(ies) corporate in such manner and on such terms and conditions as the Board may approve from time to time through one or more such acquisition(s) PROVIDED THAT the said limit of ₹ 250 crore will be in addition to the aggregate limit of ₹ 350 crore as already approved by the shareholders / being placed for their approval in accordance with the said provisions.

RESOLVED FURTHER that the Board be and is hereby authorized to take from time to time all decisions and steps necessary, expedient or proper, in respect of the above mentioned proposed investments including the timing and other terms and conditions and also to take all other decisions including varying any of them, through transfer or sale, divestment or otherwise, either

in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the aforesaid limit and applicable conditions stipulated in the Act."

12. AS A SPECIAL RESOLUTION

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16th June 2015 ("Circular") issued by Securities and Exchange Board of India, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and in accordance with circulars / guidelines issued by SEBI (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), provisions contained in the Articles of Association of the Company and other applicable rules, regulations and circulars/ guidelines, approval of such other Regulatory / Statutory / Government authorities, as may be necessary in this context and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof, including the Nomination and Remuneration Committee ("NRC") constituted by the Board, or any other Committee which the Board may constitute to act as the "Compensation Committee" under the SEBI SBEB Regulations), consent of the member(s) of the Company be and is hereby accorded to the Board to introduce and implement 'Spencer's Employees Stock Option Scheme 2019' (hereinafter referred to as "ESOP 2019" or the "Scheme") to create, grant, offer, issue and allot from time to time, in one or more tranches, under ESOP 2019, options exercisable into 39,76,711 (Thirty Nine Lakh Seventy Six Thousand Seven Hundred Eleven) equity shares of the face value of ₹ 5/- (Rupees Five only) each, at such price or prices, and on such terms and conditions, as may be determined by the Board in accordance with the provisions of ESOP 2019 and in due compliance with the SBEB Regulations and other applicable laws, rules and regulations, to the present and / or future permanent employees of the Company, Subsidiary Company or of a Holding Company or of an Associate Company, whether working in India or outside India, and / or to the Directors of the Company, whether whole time or not, but excluding (a) an employee who is a promoter or a person belonging to the promoter group; or (b) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding Shares of the

Company; or (c) Independent director(s) and/or such other persons as may be decided by the Board and / or permitted under applicable rules, regulations, guidelines and laws (hereinafter referred to as "Eligible Employees") and on such terms and conditions, as contained in the Scheme and summarized in the Explanatory Statement annexed hereto and to provide for grant and subsequent vesting and exercise of options by eligible employees in the manner and method contained in the Explanatory Statement, as the Board may decide in accordance with the provisions of the applicable laws and the provisions of ESOP 2019.

RESOLVED FURTHER THAT without prejudice to the generality of the above but subject to the terms and conditions mentioned in the Explanatory Statement forming part of the notice convening this Meeting, the consent of the members of the Company be and is hereby accorded to the Board to formulate, evolve, decide upon, administer, superintend and implement ESOP 2019 of the Company.

RESOLVED FURTHER THAT outstanding Options granted under Company's ESOP 2019 before any issue of bonus shares or stock splits or consolidation of shares shall be suitably adjusted for the number as well as the exercise price as applicable and such outstanding options may be further adjusted at the discretion of the Board for any Corporate Action(s).

RESOLVED FURTHER THAT the consent of the members of the Company be and is hereby accorded to the Board to:

- Issue and allot equity shares upon exercise of stock options, from time to time, granted under ESOP 2019 and such equity shares allotted shall in all respects rank pari passu with the existing equity shares of the Company;
- take necessary steps for listing of the Securities allotted under ESOP 2019 on the Stock Exchanges, where the equity shares of the Company are listed as per the provisions of the Listing Regulations and other applicable laws, rules and regulations;
- conform to the accounting policies prescribed from time to time under SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to ESOP 2019;
- re-price the options at any time as it deems fit, which are not exercised, whether or not they have been vested, if the exercise price of the options is rendered unattractive due to fall in price of the share in the market and such re-pricing is not detrimental to the interest of the employees who have been granted stock options under ESOP 2019;

- make any modifications, changes, variations, alterations or revisions in ESOP 2019, as it may deem fit, from time to time or to suspend, withdraw or revive ESOP 2019, from time to time, in conformity with the provisions of SEBI SBEB Regulations and other applicable rules, regulations, guidelines and laws, unless such variation, amendment, modification or alteration is detrimental to the interest of the employees who have been granted stock options under ESOP 2019.
- do all such acts, deeds, matters and things as it may, in its absolute discretion deem fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage, without being required to seek any further consent or approval of the members of the Company to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution, and further to execute all such deeds, documents, writings and to give such directions and / or instructions as may be necessary, proper or expedient to give effect to any modification, alteration, amendment, suspension, withdrawal or termination of ESOP 2019 and to take all such steps and do all acts as may be incidental or ancillary thereto.

RESOLVED FURTHER THAT the consent of members of the Company be and is hereby accorded to the Board to implement ESOP 2019 through the Spencer's Employee Benefit Trust, an independent trust to be set up by the Company, if considered appropriate, and for the Spencer's Employee Benefit Trust to acquire/purchase equity shares of the Company, if considered appropriate through secondary market for the purpose

of implementation of ESOP 2019, subject to the Companies Act, 2013 and SEBI SBEB Regulations; and

RESOLVED FURTHER THAT pursuant to Section 67 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force; the Memorandum and Articles of Association of the Company and the SEBI SBEB Regulations, as amended from time to time, consent of members of the Company be and is hereby accorded to the Board to grant, if so required, loan(s) in one or more tranches to the aforesaid Spencer's Employee Benefit Trust and/or to give guarantee or provide security in connection with loan(s) obtained from external financial institutions or lenders by Spencer's Employee Benefit Trust for enabling Spencer's Employee Benefit Trust to undertake secondary acquisition of the equity shares of the Company for the purpose of the ESOP 2019 subject to the Companies Act, 2013 read with SEBI SBEB Regulations."

By Order of the Board

Rama Kant
Company Secretary
(Membership No: F4818)

Registered office

Duncan House
31, Netaji Subhas Road,
Kolkata – 700 001
CIN: L74999WB2017PLC219355
E-mail: spencers.secretarial@rp-sg.in
Website: www.spencersretail.com
Date: 17th May 2019

NOTES:

1. As part of its share listing process, the Board of Directors of the Company ("the Board") was reconstituted and all eight members of the Board are currently additional directors holding office, in terms of the provisions of Section 161 of the Companies Act, 2013 ("the Act") upto the date of the ensuing annual general meeting. Ordinary Resolutions at Item Nos. 2 to 7 and the Special Resolutions at Item Nos. 8 and 9 above of the Notice propose, inter alia, appointment of the said eight additional directors as directors of the Company. Accordingly the Company has, as of date, no director liable to retire by rotation and hence the said notice does not need to contain any item of Ordinary Business for retirement of any director in accordance with Section 152 of the Act.
2. **PROXIES: A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE 'MEETING') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
Pursuant to the provisions of Section 105 of the Companies Act, 2013 and Rules framed thereunder, a person can act as Proxy on behalf of Members not exceeding fifty (50) in number and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. However, a Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other Member. The Instrument appointing the Proxy, in order to be valid and effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than forty-eight (48) hours before the commencement of the meeting. Proxies submitted on behalf of companies and societies, among others, must be supported by an appropriate resolution / authority, as applicable. Every Member entitled to vote at the Meeting can inspect the proxies lodged with the Company, at any time during the business hours of the Company, during the period beginning twenty-four (24) hours before the time fixed for the commencement of the Meeting and ending on the conclusion of the Meeting. However, a prior notice of not less than three (3) days in writing of the intention to inspect the proxies lodged shall be required to be provided to the Company.
The proxy-holder shall prove his identity at the time of attending the Meeting. Proxies are requested to carry photo identification to the venue of the Meeting. Furthermore, when a Member appoints a Proxy and both the Member and Proxy attend the meeting, the Proxy stands automatically revoked.

In case of joint holders attending the meeting, only such joint holder whose name appears first in the Register of Members will be entitled to vote.

3. **Statement pursuant to Section 102:** The Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business of the Notice is annexed hereto. All documents referred to in the Notice will be available for inspection by the members at the Registered Office of the Company between 11 A.M. and 1 P.M. on all working days up to the date of the Annual General Meeting (AGM) and will also be available at the venue.
4. **Communication:** Electronic copy of the Notice of the AGM of the Company inter alia indicating the process and manner of Electronic Voting along with Attendance Slip and Proxy Form is being sent to all concerned including the Members whose E-mail IDs are registered with the Company's Registrar and Share Transfer Agents/ Depository Participants for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their E-mail IDs, physical copies of the Notice of the AGM of the Company inter alia indicating the process and manner of Electronic Voting along with Attendance Slip and Proxy Form is being sent through the permitted mode.
5. **Registrar and Share Transfer Agents and Depository Participant:** Members holding shares in dematerialised form are requested to intimate all changes pertaining to their Bank Details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations and power of attorney as well as any change of address, name, E-mail address and contact numbers, among others to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited, to provide efficient services. Members holding shares in physical form are requested to intimate such changes to the Company's Registrar and Share Transfer Agent.
In case the mailing address mentioned on the Attendance Slip is without the pin code, Members are requested to kindly inform the pin code immediately.
6. Securities and Exchange Board of India (SEBI) has decided that, with effect from 1st April 2019, securities of listed companies can be transferred only in dematerialized form and, therefore, members are advised to dematerialize as early as possible shares held by them in physical form.

- 7. Record date/Book closure:** 12th July 2019, be fixed as record date for the purpose of electronic voting in respect of the ensuing Second Annual General Meeting of the Company. The Register of Members and Share Transfer Books of the Company shall remain closed from 12th July 2019 to 19th July 2019 (both days inclusive).
- 8. Mandatory submission of PAN:** Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Numbers (PAN) by every participant in the securities market. Members holding Shares in electronic form are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts.
- 9. Go green initiative:** The Company will start sending periodic communications including Notices for General Meetings and Financial Statements, among others, through E-mail to Members who are registered with the Company. While going through the Register of Members, it was found that there were Members who had not registered their E-mail IDs with the Company. Consequently, the Company was unable to communicate with them electronically. In compliance with the provisions of Rule 18 of the Companies (Management and Administration) Rules, 2014 and applicable provisions of the Companies Act, 2013, Members are requested to register their E-mail IDs with the Company's Registrar and Share Transfer Agents (RTA) i.e., M/s. Link Intime India Private Limited and Members holding Shares in electronic / demat mode are requested to register their E-mail IDs with their respective Depository Participants (DPs). E-mail IDs that have undergone any change or those that require any correction, may kindly update the same with the RTA or the DPs, as stated above. Copies of all such communication can also be obtained in physical form from the Company free-of-cost, upon request. All such documents shall also be available at the Company's website: www.spencersretail.com
- Copies of the Annual Report will not be distributed at the Meeting. Members are requested to carry their copies of the Annual Report to the Meeting. Furthermore, please note that Duplicate Attendance Slips shall not be issued.
- 10. Non-resident Indian Members** are requested to inform the Company's Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited, immediately of:
- Change in their residential status on return to India for permanent settlement.
 - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- 11.** The route map showing directions to reach the venue of the Second (2nd) AGM is annexed hereto.
- 12.** Members may also note that the Notice of the Second Annual General Meeting, Attendance Slip, Proxy Form and Route Map will be available on the Company's website at: www.spencersretail.com and also on the website of NSDL at: <https://www.evoting.nsdl.com> for downloading. The Annual Report for the year 2018-19 will be available on the Company's website: www.spencersretail.com for downloading. The physical copies of the aforementioned documents will also be available for inspection by the members at the Registered Office of the Company between 11 A.M. and 1 P.M. on all working days up to the date of the Annual General Meeting (AGM) and shall also be available at the venue of the Annual General Meeting of the Company. Even after registering for E-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor E-mail ID: spencers.secretarial@rp-sg.in
- 13.** To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member, as soon as possible. Members are advised not to leave their demat account(s) dormant for too long. Periodic statements of holdings should be obtained from the concerned Depository Participants and the holdings should be verified from time to time.
- 14.** Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting at least three (3) days before the AGM.
- 15.** An electronic copy of the Notice of the Second Annual General Meeting of the Company inter alia indicating the process and manner of E-Voting along with Attendance Slip, Proxy Form and Route Map is being also sent to all E-mail IDs registered with the Company's Registrar and Share Transfer Agent/Depository Participants for communication purposes. For Members who have not registered their E-mail addresses, physical copies of the Notice of the Second Annual General Meeting of the Company inter alia indicating the process and manner of E-Voting along with Attendance Slip, Proxy Form and Route Map is being sent in the permitted mode.
- 16.** Electronic copy of the Annual Report for the year 2018-19 is being sent to all Members E-mail IDs that are registered with the Company's Registrar and Share Transfer Agent/

Depository Participants for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of the Annual Report for the year 2018-19 are being sent in the permitted mode.

17. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its Members, the facility to exercise their right-to-vote on Resolutions proposed to be considered at the Second Annual General Meeting (AGM) by electronic means and the business may be transacted through E-Voting services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ('Remote E-Voting') will be provided by the National Securities Depository Limited (NSDL).
- II. Members of the Company, instead of casting their votes by the aforesaid 'Remote E-Voting' may cast their votes at the venue of the Annual General Meeting through physical ballot papers, which shall be made available at the venue of the AGM and only such Members attending the meeting, who have not cast their vote by Remote E-voting, shall be able to exercise their vote at the Meeting.
- III. The Members who have cast their vote by remote E-Voting prior to the AGM may also attend the AGM, but shall not be entitled to cast their vote again.
- IV. The remote E-Voting period commences on 16th July 2019 (9:00 A.M. IST) and ends on 18th July 2019 (5:00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e., 12th July 2019, may cast their vote by remote E-Voting. The remote E-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- V. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

- VI. The process and manner for remote E-Voting are as under:

The process of voting electronically on NSDL's E-Voting system involves the steps mentioned hereunder:

- Step#1: Log-in to NSDL E-Voting system at <https://www.evoting.nsdl.com/>
- Step#2: Cast your vote electronically on NSDL E-Voting system

Details regarding Step#1 are mentioned below:

1. Visit the E-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or a mobile.
2. Once the home page of E-Voting system is launched, click on the icon 'Login', which is available under the 'Shareholders' tab.
3. A new screen will open. You will have to enter your user ID, your password and a verification code, as shown on the screen.

Alternatively, if you are registered for NSDL's e-service i.e., IDEAS, you can log in at <https://eservices.nsdl.com/> using your existing IDEAS login credentials. Once you log in, click on E-Voting and you can proceed to Step#2 i.e., casting your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. demat (NSDL or CDSL) or physical	Your user ID is:
a) For Members who hold shares in demat account with NSDL	Eight-character DP ID followed by eight-digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your User ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL	16-digit Beneficiary ID For example if your Beneficiary ID is 12***** then your User ID is 12*****.
c) For Members holding shares in physical form	Event Number followed by Folio Number registered with the Company For example if Folio Number is 001*** and Event Number is 101456 then User ID is 101456001***

5. Your password details are given below:
 - a. If you are already registered for E-Voting, then you can user your existing password to log in and cast your vote.
 - b. If you are using NSDL E-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c. How to retrieve your 'initial password'?
 - i. If your E-mail ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your E-mail ID. Trace the E-mail sent to you from NSDL from your mailbox. Open the E-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your eight-digit client ID for NSDL account and the last eight digits of Client ID for CDSL account or Folio Number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your E-mail ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
 - a) Click on 'Forgot User Details/Password?' (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) 'Physical User Reset Password?' (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.
8. Now, you will have to click on the 'Login' button.
9. After you click on the 'Login' button, the home page of E-Voting will open.

Details regarding Step#2 are mentioned hereunder:

1. After successful login following Step#1, you will be able to see the home page of E-Voting. Click on E-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the EVENs of companies in which you are holding shares and whose voting cycle is in active status.
3. Select EVEN of company for which you wish to cast your vote.
4. Now you are ready for E-Voting as the voting page opens.
5. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
6. Upon confirmation, the message 'Vote cast successfully' will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

VII. General guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUFs and NRIs, among others) are required to send scanned copies (PDF/JPG format) of the relevant Board Resolutions or Authority Letters, among others, with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by E-mail to smguptaandco@yahoo.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the E-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.
3. In case of any query / grievance with respect to Remote E-voting, members may refer to the Frequently Asked Questions (FAQs) for Shareholders and Remote E-voting User Manual for Shareholders available under the Downloads section of NSDL's e-voting website or contact Mr. Amit Vishal, Senior

Manager / Ms. Pallavi Mhatre, Manager, NSDL, at telephone no. 022– 2499 4360 / 022 – 2499 4545 or toll free no. 1800 – 222 – 990 or at E-mail ID : evoting@nsdl.co.in

4. Login to the E-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot Password?' option available on the site to reset the password.
5. If you are already registered with NSDL for remote E-Voting then you can use your existing user ID and password/PIN for casting your vote.
6. You can also update your mobile number and E-mail ID in the user profile details of the folio which may be used for sending future communication(s).
7. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 12th July 2019.
8. Any person, who acquires shares of the Company and becomes a Member of the Company after completion of the process of dispatch of the Notice by the Company and is holding shares as on the cut-off date i.e. 12th July 2019, may obtain the log in ID and password by sending a request at evoting @nsdl.co.in and secretarial.spencers@rp-sg.in. However if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com.
9. However, if you are already registered with NSDL for remote E-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using 'Forgot User Details/Password' option

available on www.evoting.nsdl.com or contact NSDL at the following toll-free number: 1800-222-990.

10. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote E-Voting as well as voting at the AGM either through electronic voting system or ballot paper.
11. Pursuant to the provisions of Section 108 of the Companies Act 2013 read with the rules thereof, Mr. S M Gupta, Partner (FCS -896 and CP No. 2053), failing him Mrs. Chitra Mittal, Partner (ACS-16240 and CP No- 15441) of M/s S. M. Gupta & Co, Company Secretaries, Kolkata has been appointed as the Scrutinizer to scrutinize the voting at the AGM and remote E-Voting process in a fair and transparent manner.
12. The Results of voting will be declared within 48 hours from the conclusion of AGM. The declared results along with the Scrutiniser's Report will be available forthwith on the website of the Company www.spencersretail.com and on the website of NSDL. Such results will also be displayed on the Notice Board at the Registered Office of the Company and shall be forwarded to the National Stock Exchange of India Limited, BSE Limited and Calcutta Stock Exchange Limited.
13. For convenience of the Members and proper conduct of the Meeting, entry to the Meeting venue will be regulated by the Attendance Slip, which is enclosed with this Notice. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the Registration Counter at the venue.
14. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.

PARTICULARS OF DIRECTORS WHO ARE PROPOSED TO BE APPOINTED / RE-APPOINTED AT THE MEETING ARE GIVEN BELOW:

Mr. Sanjiv Goenka

Mr. Sanjiv Goenka, 58 years of age, is an Additional Director of the Company since 14th November 2018 and the Chairman of RP Sanjiv Goenka Group having an asset base of over ₹ 43,500 crore. The Group has over 45,000 employees and over a hundred thousand shareholders with annual revenues of more than ₹ 25,500 crore.

The Group's businesses spanning across six sectors – Power & Natural Resources, Carbon Black, Retail & Consumer, Media, Entertainment & Sports and IT & Education, include flagship companies such as CESC Limited, Firstsource Solutions Limited, Phillips Carbon Black Limited, Spencer's Retail Limited and Saregama India Limited.

Mr. Goenka, was the youngest-ever President of the Confederation of Indian Industry (CII). He is the Chairman of the Board of Governors of the Indian Institute of Technology, Kharagpur (IIT-KGP) and also Chairs the International Management Institute, Delhi, Bhubaneswar and Kolkata. He is a Trustee in India Brand Equity Foundation (IBEF), set up by the of Commerce and Industry, Government of India w.e.f. September 2018.

A former President of All India Management Association (AIMA), Mr. Goenka was conferred Indian Business Leader of the Year at Belfast Global India Business Meet in 2013, Banga Bibhushan Award for his contribution to the state of West Bengal, and Distinguished Fellowship Award of Institute of Director, India at their 16th London Global Convention, 2016.

Mr. Goenka was ranked No. 18 in India Today's list of 50 Most powerful people in India in 2018.

Born in Kolkata and educated at the famed St. Xavier's College, Mr. Goenka is married to Preeti. They have a daughter, Avarna, and a son, Shashwat.

Mr. Goenka is on the Board of CESC Limited (also its Chairman), Phillips Carbon Black Limited (also its Chairman), Saregama India Limited (also its Chairman), Firstsource Solutions Limited (also its Chairman), Spencer's Retail Limited (also its Chairman) Spencer International Hotels Limited, Spencer and Company Limited and Haldia Energy Limited.

Mr. Goenka holds 80,876 shares in the Company and is related to Mr. Shashwat Goenka, son of Mr. Goenka and a Director in the Company.

Save and except above, Mr. Goenka is not related to any key managerial personnel of the Company or their relatives.

Mr. Shashwat Goenka

Mr. Shashwat Goenka, 28 years of age, is an Additional Director of the Company since 14th November 2018. He graduated from The Wharton School of Business, University of Pennsylvania, Philadelphia, with a Bachelor of Science in economics, specializing in finance, marketing and management. Mr. Goenka is the immediate 'past President of Indian Chamber of Commerce and current Chairman of CII National Committee on Retail and FICCI Young Leaders Forum. He is also Executive Committee Member – Federation of Indian Chambers of Commerce & Industry, Member – FICCI Retail & Internal Trade Committee and Director - Retailers Association of India (RAI). Currently, Mr. Goenka is the Head of RP-Sanjiv Goenka Group's Retail & FMCG sector.

Mr. Goenka is also a Director on the Boards of Spencer International Hotels Ltd, Phillips Carbon Black Limited (PCBL), Spencer's Retail Limited (SRL) and CESC Ventures Limited (CVL). He is the Chairman of the CSR Committees of SRL, CVL and Firstsource Solutions Limited (FSL) as also of the Stakeholders Relationship Committee of SRL. Mr. Goenka is a Member on FSL's Strategy Committee, SRL's Audit Committee, CVL's Stakeholders Relationship Committee and PCBL's CSR Committee.

He holds 66,844 shares in the Company. He is the son of Mr. Sanjiv Goenka, non-executive director and Chairman of the Company.

Save and except above, Mr. Shashwat Goenka is not related to any key managerial personnel of the Company or their relatives.

Mr. Utsav Parekh

Mr. Utsav Parekh, an Honours graduate, has an experience of over 38 years in the field of investment banking. He is the promoter and chairman of SMIFS Capital Market Limited. He is a Director in several companies such as Mcleod Russel (India) Limited, Xpro India Limited, Texmaco Infrastructure & Holdings Limited. He is also a member on the board of the Indian Chamber of Commerce. He is an Honorary Counsel of the Czech Republic in Kolkata. He is one of the co-founders of the football club, ATK which is part of the Indian Super League. His latest venture is the development of an Aerotropolis project in West Bengal, India.

He does not hold any share in the Company and is not related to any other director or key managerial personnel of the Company or their relatives.

Mr. Pratip Chaudhuri

Mr. Pratip Chaudhuri, 65 years of age, is a former Chairman of State Bank of India (SBI), having held several important posts in the Bank during his long tenure of service including the post of Deputy Managing Director of SBI's International Division. Mr. Chaudhuri has vast experience in the banking sector. He is the director of Visa Steel Limited, Quess Corp Limited, Spencer's Retail Limited, Alchemist Asset Reconstruction Company Limited, Cosmo Films Limited, IIFCO Kisan Sanchar Limited, Kota Electricity Distribution Limited, Jagaran Microfin Private Limited, Dynamic Drilling & Services Private Limited and Sundaram Asset Management Company Limited.

He does not hold any share in the Company and is not related to any other director or key managerial personnel of the Company or their relatives.

Ms. Rekha Sethi

Ms Rekha Sethi aged 54 years is Director General of the All India Management Association (AIMA), the apex body for management in India working closely with industry, government, academia and students to further the cause of the management profession in India. Ms. Sethi took charge of AIMA in June 2008. It is now the preferred platform for discussions and debate on management related diverse issues. AIMA attracts India's top industry leaders and policy makers on its platform.

Ms Sethi is also on the Boards of Sun Pharma Laboratories Ltd and Sun Pharmaceutical Industries, the world's fifth largest specialty generic pharmaceutical company. Ms. Sethi is an Independent Director on the Board of Hero Steels Limited, which manufactures steel sheets and products.

She is part of the Executive Council of the National Board of Accreditation, which is mandated to facilitate quality in technical education syllabi in India and a member of the Advisory Board of the Switzerland based St Gallen Foundation think tank, Leaders of Tomorrow – Knowledge Pool.

Prior to joining AIMA, Ms. Sethi worked with India's premier industry organization, the Confederation of Indian Industry (CII) for over 17 years. There she led the initiative to create high-profile international events to promote India's economic interests.

A graduate in English Literature with a post-graduate diploma in Advertising and Marketing, Ms. Sethi started her career at the Centre for Development of Telematics (C-Dot) in 1985 and worked at UDI, India's first yellow pages publisher, before joining CII.

She does not hold any share in the Company and is not related to any other director or key managerial personnel of the Company or their relatives.

Mr. Debanjan Mandal

Mr. Debanjan Mandal is a Partner in Fox & Mandal, a premier multi-disciplinary law firm in Kolkata. He holds a bachelor's degree in law from the University of Burdwan and was enrolled as an advocate with the Bar Council of West Bengal in 1999. He has around 20 years of experience in the field of corporate and commercial laws, banking and finance, real estate, infrastructure, succession and trusts, dispute resolution, mergers and acquisitions, private equity and venture capital. He is a Member of the Incorporated Law Society and the High Court Club, High Court at Calcutta, Supreme Court Bar Association, International Bar Association, U.K. and is also a Consultant at Asian Development Bank. He is a Member of the Executive Committee of Indian Chamber of Commerce and Chairman of ICC National Expert Committee on Corporate & Legal Affairs. He is a Director in several other companies. He is a prominent speaker and attends various meetings and seminars in India and abroad.

He does not hold any share in the Company and is not related to any other director or key managerial personnel of the Company or their relatives.

Mr. Devendra Chawla

Mr. Devendra Chawla, aged 47 years, has a rich experience of 24 years with companies like Asian Paints, Coca Cola where he was director area operations and then director customer service. He was also CEO of Future Consumer Ltd. and group president for Food/FMCG Business for future group. In his last role he was Chief Operating Officer/Executive Vice President and also a member of Board of Walmart India. He holds B.E. and MBA degrees and is also an alumnus of Harvard Business School.

He does not hold any share in the Company and is not related to any other director or key managerial personnel of the Company or their relatives.

Mr. Rahul Nayak

Mr. Rahul Nayak, aged 42 years, has a rich experience of around 20 years in the field of retail (merchandising and buying, supply chain, store design and layouts, stores operations) with Tata Retail and Tesco. His previous assignment was with Star Bazaar (Tata Retail) as Director-Operations. He holds a PGDBA in Marketing.

He does not hold any share in the Company and is not related to any other director or key managerial personnel of the Company or their relatives.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEMS OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE SECOND ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON 19th JULY 2019

Item No. 2

The Board of Directors of the Company ("the Board") at its meeting held on 14th November 2018 appointed Mr. Sanjiv Goenka as an Additional Director of the Company in terms of provisions of Section 161 of the Companies Act, 2013 and other applicable provision of the Articles of Association (AOA) of the Company and hold office up to the date of this Annual General Meeting of the Company.

In terms of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Sanjiv Goenka, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, is proposed to be appointed as a Non-Executive Director of the Company. In the opinion of the Board, Mr. Sanjiv Goenka fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as a Non-Executive Director.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Sanjiv Goenka as a Non-Executive Director for the approval of the shareholders of the Company. Except for Mr. Shashwat Goenka, being son of the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives, are concerned or interested, in the Resolution set out at Item No. 2 of the Notice.

Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 1.2.5 of Secretarial Standard - 2 on General Meetings, requisite particulars for appointment are given in this Notice.

Items No. 3

The Board of Directors of the Company ("the Board") at its meeting held on 14th November 2018 appointed Mr. Shashwat Goenka as an Additional Director of the Company in terms of provisions of Section 161 of the Companies Act, 2013 and other applicable provisions of the Articles of Association (AOA) of the Company and holds office up to the date of this Annual General Meeting of the Company.

In terms of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Shashwat Goenka, is proposed to be appointed as a Non-Executive Director of the Company. In the opinion of the Board, Mr. Shashwat Goenka fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as a Non-Executive Director.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Shashwat Goenka as a Non-Executive Director, for the approval of the shareholders of

the Company. Except for Mr. Sanjiv Goenka, being father of the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives, are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 1.2.5 of Secretarial Standard - 2 on General Meetings, requisite particulars for appointment are given in this Notice.

Items No. 4 to 7

Mr. Utsav Parekh, Mr. Pratip Chaudhuri, Ms. Rekha Sethi and Mr. Debanjan Mandal were appointed by the Board of Directors of the Company ("the Board") as Additional Directors, Category - Independent Directors of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 ("the Act") and holds office up to the date of this Annual General Meeting.

In view of their extensive and rich experience and considering the best interests of the Company, it is proposed to appoint these Independent Directors of the Company for a period of five (5) consecutive years from the respective date of their appointment and in respect of each of whom the Company has received a notice in writing under Section 160 of the Act, from members proposing their candidatures for the office of Director, and who have submitted a declaration that they meet the criteria for independence as provided in Section 149(6) of the Act. The proposed terms of these Directors are mentioned hereunder:

Name of Independent Director	Appointment	
	From	Till
Mr. Utsav Parekh	14th November 2018	13th November 2023
Mr. Pratip Chaudhuri	14th November 2018	13th November 2023
Ms. Rekha Sethi	14th November 2018	13th November 2023
Mr. Debanjan Mandal	11th February 2019	10th February 2024

In the opinion of the Board, Mr. Utsav Parekh, Mr. Pratip Chaudhuri, Ms. Rekha Sethi and Mr. Debanjan Mandal, fulfill the conditions specified in the Act and the Rules made thereunder for being appointed as Independent Directors of the Company and they are independent of the management of the Company. The Board considers that the association of the above Directors as Independent Directors would be of immense benefit to the Company.

The Resolutions set out under Items No. 4 to 7 of the Notice seek the approval of the Members for the appointments

of the above directors as Independent Directors of the Company pursuant to Section 149 and other applicable provisions of the Act and Rules made thereunder.

A copy each of the draft letters of appointment of the above directors as Independent Directors of the Company setting out the terms and conditions are available for inspection by the Members at the Company's Registered Office on any working day up to the date of the Annual General Meeting, and will also be made available at the venue.

Mr. Utsav Parekh, Mr. Pratip Chaudhuri, Ms. Rekha Sethi and Mr. Debanjan Mandal, may be deemed to be concerned or interested in the respective Resolutions relating to their proposed appointments. None of the other Directors, key managerial personnel or their relatives has any concern or interest in the said Resolutions.

Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 1.2.5 of Secretarial Standard - 2 on General Meetings, requisite particulars for appointment are given in this Notice.

Item No. 8

The Board of Directors of the Company ("the Board") at its meeting held on 11th February 2019 appointed Mr. Devendra Chawla ("Mr. Chawla") as an Additional Director, with effect from the aforesaid date, in terms of the provisions of Section 161 of the Companies Act 2013 (the 'Act'). Mr. Chawla would hold office as Additional Director up to the date of the forthcoming Annual General Meeting of the Company and is proposed to be appointed a Director of the Company thereafter.

A Notice in writing pursuant to Section 160 of the Companies Act, 2013 has been received by the Company from a member proposing the appointment of Mr. Chawla as a Director of the Company.

Further, Mr. Chawla was also appointed by the Board at its aforesaid meeting as Chief Executive Officer (CEO) and Managing Director for a period of three years from 11th February 2019, subject to necessary approval of the shareholders in general meeting.

The proposed appointment and the terms of remuneration are in accordance with the applicable provisions of the Act read with relevant rules and the Schedule thereunder.

The terms and conditions governing the appointment referred to above are contained in a letter proposed to be issued by the Company to Mr. Chawla, the principal terms and conditions of which are as follows:

Monthly Basic salary: ₹ 8,50,000, House rent allowance: ₹ 4,25,000, Special allowance: ₹ 15,00,000 with such periodical increment as may be decided by the Nomination and Remuneration Committee ("Committee") of the Board of Directors of the Company("the Board"). Further apart from the above he would also be entitled to receive Performance

Bonus, Perquisites and Joining bonus as decided by the Committee/Board.

The following perquisites shall not be included in the Computation of any ceiling on Mr. Chawla's remuneration: (i) the Company's contribution to Provident Fund and Superannuation Fund (ii) encashment of leave at the end of the tenure and (iii) payment of Gratuity at a rate not exceeding half a month's salary for each completed year of his service. Mr. Chawla will be eligible for leave on full and allowance as per the rules of the Company.

The said remuneration proposed to be paid to Mr. Chawla is covered by the provisions of Clause (b) (i) of Section III of Part II, Schedule V to the Act which allows a newly incorporated company to pay any remuneration to its managerial personnel for a period of seven years from the date of its incorporation. The Company was incorporated on 8th February 2017.

Mr. Chawla does not have any interest in the share capital of the Company or any of its subsidiaries, directly or indirectly, and also does not have any direct or indirect interest and has not been related to any of the directors or promoters of the Company at any time before or on the date of his appointment and has necessary qualification with expert and specialized knowledge in the field of his profession.

The terms and conditions of the said appointment of Mr. Chawla may be altered and varied from time to time by the Board in consultation with the Committee as it may in its discretion deem fit.

Additional information in respect of Mr. Chawla pursuant to the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Rules 2015 and the Secretarial Standard on General Meetings, appear elsewhere in the Notice.

The Information required under item (B) of Section II, Part II of Schedule V to the Act is given below.

I. General Information

1) Nature of Industry:

The Company is engaged in retail trading of food items, non-food items etc.

2) Date of commencement of commercial production:

Date of incorporation is 8th February 2017. Retail Business of erstwhile Spencer's Retail Limited and CESC Limited were transferred to Spencer's Retail Limited with effect from 1st October 2017, in terms of a Restructuring Scheme under Sections 230 to 232 and other applicable provisions of the Act amongst the Company and nine other companies.

3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not applicable

4) Financial performance based on given indicators:

(₹ in Lakh)

Summary of Financial Results	2018-19	2017-18* (08.02.2017 to 31.03.2018)
Total Income	221,497.50	105,180.93
Profit before Taxation	972.72	(910.15)
Profit after tax	794.20	(910.15)

*Pursuant to the Restructuring Scheme becoming effective from appointed date i.e. 1st October 2017, the financial numbers of FY2018-19 are not comparable with the financial numbers of FY2017-18.

5) Foreign investments or collaborations, if any : None

II. Information About The Appointee

- 1) Background details: Mr. Chawla, has a rich experience of 24 years with companies like Asian Paints, Coca Cola where he was director area operations and then director customer service. He was also CEO of Future Consumer Ltd. and group president for Food/FMCG Business for future group. In his last role he was Chief Operating Officer/ Executive Vice President and also a member of Board of Walmart India. He holds B.E. and MBA degrees and is also an alumnus of Harvard Business School.
- 2) Past remuneration : Mr. Chawla joined the Company on 11th February 2019.
- 3) Recognition or awards: None
- 4) Job profile and his suitability : Please see (1) above.
- 5) Remuneration proposed : As set out in the Notice.
- 6) Comparative remuneration profile with respect to industry, size of the company, profile with respect of the position and person: The remuneration proposed to be paid to Mr. Chawla is in line with the remuneration in similar sized companies in the same segment of business.
- 7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Except for receiving remuneration from the Company as a CEO and Managing Director, Mr. Chawla has no other pecuniary relationship with the Company. Mr. Chawla does not hold any shares of Spencer's Retail Limited.

III. Other Information

- 1) Reason of loss or inadequate profits: Pursuant to the aforesaid Restructuring Scheme, the Retail Business of erstwhile Spencer's Retail Limited and

CESC Limited were transferred to Spencer's Retail Limited (Formerly known as RP-SG Retail Limited). The Company's profit after tax amounted to ₹ 794.20 lakh for the financial year 2018-19.

- 2) Steps taken or proposed to be taken for improvement: The Company was incorporated on 8th February 2017. Being in the second year of its operations, the Company is looking forward for growth opportunities. Key priorities for the current year including growth in non-food business.
- 3) Expected increase in productivity and profits in measurable terms: The profitability is expected to increase in the future.

IV. Disclosures

The required disclosures have been appropriately provided in the Report on Corporate Governance, forming a part of this Annual Report.

Mr. Chawla may be deemed to be concerned or interested in the Resolution appearing in item no. 8 of this Notice. None other Director or Key Managerial Personnel of the Company or their relative is concerned or interested therein.

The Board recommends the aforesaid resolution for approval of the members.

Item No. 9

The Board of Directors of the Company ("the Board") at its meeting held on 14th November 2018 appointed Mr. Rahul Nayak ("Mr. Nayak") as an Additional Director, with effect from the aforesaid date, in terms of the provisions of Section 161 of the Companies Act 2013 (the 'Act'). Mr. Nayak would hold office as Additional Director up to the date of the forthcoming Annual General Meeting of the Company and is proposed to be appointed a Director of the Company thereafter.

A Notice in writing pursuant to Section 160 of the Companies Act, 2013 has been received by the Company from a member proposing the appointment of Mr. Nayak as a Director of the Company.

Further, Mr. Nayak was also appointed by the Board at its aforesaid meeting as Whole-time Director for a period of three years from 14th November 2018, subject to necessary approval of the shareholders in general meeting.

The proposed appointment and the terms of remuneration are in accordance with the applicable provisions of the Act read with relevant rules and the Schedule thereunder.

The terms and conditions governing the appointment referred to above are contained in a letter proposed to be issued by the Company to Mr. Nayak, the principal terms and conditions of which are as follows:

Monthly Basic salary: ₹ 3,56,267 per month, House rent

allowance: ₹ 1,78,134 per month, Special allowance: ₹ 5,72,148 per month with such periodical increment as may be decided by the Nomination and Remuneration Committee ("Committee") of the Board of Directors of the Company("the Board"). Further apart from the above he would also be entitled to receive Performance bonus and Perquisites as may be decided by the Committee/Board.

The following perquisites shall not be included in the Computation of any ceiling on Mr. Nayak's remuneration: (i) the Company's contribution to Provident Fund and Superannuation Fund (ii) encashment of leave at the end of the tenure and (iii) payment of Gratuity at a rate not exceeding half a month's salary for each completed year of his service. Mr. Nayak will be eligible for leave on full and allowance as per the rules of the Company.

The said remuneration proposed to be paid to Mr. Nayak is covered by the provisions of Clause (b) (i) of Section III of Part II, Schedule V to the Act which allows a newly incorporated company to pay any remuneration to its managerial personnel for a period of seven years from the date of its incorporation. The Company was incorporated on 8th February 2017.

Mr. Nayak does not have any interest in the share capital of the Company or any of its subsidiaries, directly or indirectly, and does not also have any direct or indirect interest and has not been related to any of the directors or promoters of the Company at any time before or on the date of his appointment and has necessary qualification with expert and specialized knowledge in the field of his profession.

The terms and conditions of the said appointment of Mr. Nayak may be altered and varied from time to time by the Board in consultation with the Committee as it may in its discretion deem fit.

Additional information in respect of Mr. Nayak pursuant to the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Rules 2015 and the Secretarial Standard on General Meetings, appear elsewhere in the Notice.

The Information required under item (B) of Section II, Part II of Schedule V to the Act is given below.

I. General Information

1) Nature of Industry:

The Company is engaged in retail trading of food items, non-food items etc.

2) Date of commencement of commercial production:

Date of incorporation is 8th February 2017. Retail Business of erstwhile Spencer's Retail Limited and CESC Limited were transferred to Spencer's Retail Limited with effect from 1st October 2017, in terms of a Restructuring Scheme under Sections 230 to 232 and other applicable provisions of the Act amongst the Company and nine other companies.

3) In case of new companies, expected date of commencement of activities as per project

approved by financial institutions appearing in the prospectus: Not applicable

- 4) Financial performance based on given indicators:**
(₹ in Lakh)

Summary of Financial Results	2018-19	2017-18* (08.02.2017 to 31.03.2018)
Total Income	221,497.50	105,180.93
Profit before Taxation	972.72	(910.15)
Profit after tax	794.20	(910.15)

*Pursuant to the Restructuring Scheme becoming effective from appointed date i.e. 1st October 2017, the financial numbers of FY2018-19 are not comparable with the financial numbers of FY2017-18.

- 5) Foreign investments or collaborations, if any : None**

II. Information About The Appointee

- 1) Background details: Mr. Nayak, has around 20 years of post-qualification experience in the field of retail (merchandising and buying, supply chain, store design and layouts, stores operations) with Tata Retail and Tesco. His previous assignment was with Star Bazaar (Tata Retail) as Director-Operations. He holds a PGDBA in Marketing.
- 2) Past remuneration : ₹ 0.95 crore approximately for the period from 1st April 2018 to 13th November 2018
- 3) Recognition or awards: None
- 4) Job profile and his suitability: Please see (1) above.
- 5) Remuneration proposed: As set out in the Notice.
- 6) Comparative remuneration profile with respect to industry, size of the company, profile with respect of the position and person: The remuneration proposed to be paid to Mr. Nayak is in line with the remuneration in similar sized companies in the same segment of business.
- 7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Except for receiving remuneration from the Company as a Whole-time Director, Mr. Nayak has no other pecuniary relationship with the Company. Mr. Nayak does not hold any shares of Spencer's Retail Limited.

III. Other Information

- 1) Reason of loss or inadequate profits: Pursuant to the aforesaid Restructuring Scheme, the Retail Business of erstwhile Spencer's Retail Limited and CESC Limited were transferred to Spencer's Retail Limited (Formerly known as RP-SG Retail Limited). The Company's profit after tax amounted to ₹ 794.20 lakh for the financial year 2018-19.

- 2) Steps taken or proposed to be taken for improvement: The Company was incorporated on 8th February 2017. Being in the second year of its operations, the Company is looking forward for growth opportunities. Key priorities for the current year including growth in non-food business.
- 3) Expected increase in productivity and profits in measurable terms: The profitability is expected to increase in the future.

IV. Disclosures

The required disclosures have been appropriately provided in the Report on Corporate Governance, forming a part of this Annual Report.

Mr. Nayak may be deemed to be concerned or interested in the Resolution appearing in item no. 9 of this Notice. None other Director or Key Managerial Personnel of the Company or their relative is concerned or interested therein.

The Board recommends the aforesaid resolution for approval of the members.

Item No. 10

Keeping in view the Company's existing and future fund requirements to support its business operations, the Company proposes to borrow funds from Financial Institutions, Banks, NBFCs and other lenders (hereinafter referred to as Lender(s)) for an amount aggregating upto ₹ 350 crore (Rupees Three Hundred and Fifty Crore only).

In order to facilitate raising of funds as above, it would be necessary to create appropriate security on the movable and immovable properties of the Company, both present and future, by way of mortgage / charge / assignment / hypothecation / pledge etc. in favour of the Lender(s) to secure the financial assistance(s) proposed to be availed of by the Company in due course.

The Special Resolution set out under Item No. 10 of the Notice is for obtaining the approval of the Members in terms of the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 to enable the Company to create the aforesaid mortgage and / or charge.

None of the Directors, key managerial personnel or their relatives is concerned or interested in the Resolution.

Accordingly, the Board recommends that the said Special Resolution be passed by the Members.

Item No. 11

The Company, from time to time, invests in various business opportunities for its future expansion. As per Section 186 of the Companies Act, 2013 (the Act) read with the Rules framed thereunder, the Company is required to obtain prior approval of the Members by way of a Special Resolution for acquisition by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding

sixty percent of its paid-up share capital, free reserves and securities premium account or hundred percent of its free reserves and securities premium account, whichever is more.

The Company is continuously looking for appropriate opportunities to expand its business for acquisition by way of subscription, purchase or otherwise, the securities of any other body corporate and in this regard shareholders' approval is sought to authorize the Board of Directors to invest a sum upto ₹250 crore in addition to the existing limit of ₹50 crore as approved by the members at the Extraordinary General Meeting held on 22nd September 2017 and a further limit of ₹300 crore (Rupees Three Hundred Crore only) being placed before the shareholders for their approval through postal ballot / electronic voting in terms of the applicable provisions of the Act in respect of a proposal to acquire the entire paid up share capital of Natures Basket Limited (NBL), a wholly owned subsidiary of Godrej Industries Limited. NBL operates a chain of 36 retail stores in the cities of Mumbai, Pune and Bangalore in India.

The approval of the Members is being sought by way of a Special Resolution under Section 186 of the Act read with the Rules made thereunder, to enable the Company to make acquisition in any other company exceeding the aforesaid limit.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested in the Resolution. The Board recommends the Special Resolutions set out at Item No. 11 for the approval of Members.

Item No. 12

The success of the Company's objectives is largely determined by the quality of its work force and their commitment to achieve Company's objectives. It is recognized that not only good employment opportunities but also additional motivating mechanisms are needed to incentivize employees and to align their interests with the interest of the Company. Employee stock option schemes are considered as an effective tool to attract and retain the best talent and also serves to attract, incentivize and motivate professionals and reward exceptional performance. In order to attract, reward and retain the talented and key Employees in the competitive environment and encourage them to align individual performance with company objectives, the Company intends to implement Spencer's Employees Stock Option Scheme 2019 ("ESOP 2019" or the "Scheme").

Pursuant to Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), the Company is seeking approval of its members to offer ESOP 2019 scheme to eligible employees (defined herein below)

The salient features of ESOP 2019 are set out as per Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16th June 2015

("Circular") issued by Securities and Exchange Board of India and are as under:

a) Brief description of ESOP 2019

The purposes of the Scheme are:

- To encourage ownership of the Company's equity shares by the Employees on an ongoing basis;
- To align employee compensation with performance of the Company
- To benefit the Company by enabling the attraction and retention of the best available talent by enabling them to contribute and share in the growth of the Company
- To provide existing Employees an opportunity for investment in the Company's Common Stock in recognition of their efforts in growing and building the Company.

To promote the culture of employee ownership in the Company, approval of the shareholders is being sought for issue of stock options under the ESOP 2019 to the Employees of the Company.

b) The total number of options to be granted

The maximum number of Stock Options available for Grant under the ESOP 2019 shall be 39,76,711 (Thirty Nine Lakh Seventy Six Thousand Seven Hundred Eleven only) representing 5% Equity Shares of the Company of Face Value ₹ 5 each, provided that all Options that have lapsed (including those having lapsed by way of forfeiture) shall be added back to the number of Options that are available for Grant. Each Stock Option when exercised will be converted into one Share of the Company. If a Grantee's employment with the Company stands terminated due to voluntary resignation on the part of the Grantee or due to completion of his contract, then all Stock Options not vested in the Employee as on the date of termination shall lapse forthwith. The Vested Stock Options can be exercised by an Employee prior to the expiry of Exercise Period or within 60 days of date of termination, whichever is earlier.

c) Identification of classes of employees entitled to participate in the ESOP 2019

1. a permanent employee of the Company who has been working in India or out of India; or
2. a director of the Company, whether a whole-time director or not but excluding an independent director, who is permitted to receive Stock Options as per Applicable Law; or
3. a permanent employee or director of a Subsidiary, in India or outside India, or of the Holding company of the Company but does not include:

- an employee who is a Promoter or a person belonging to the Promoter Group of the Company; or
- a director who either himself or through his relative or through any body-corporate, directly or indirectly, holds more than ten per cent of the outstanding Shares of the Company

d) Requirements of vesting and vesting period

The options granted shall vest so long as the employee continues to be in the employment of the Company, its subsidiaries, the holding company, as the case may be. The Committee may, at its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting and the proportion in which options granted would vest (subject to the maximum vesting period as specified below).

The options have a minimum vesting period of 1 (one) year from the date of grant and a maximum vesting period of 5 (five) years from the date of grant.

e) Maximum period within which the options shall be vested

The options would vest not later than 5 (five) years from the date of grant of options.

f) Exercise price or pricing formula

The Exercise Price, if any payable by the Grantee for Exercising the Stock Options Granted to him/her in pursuance of ESOP 2019, as may be decided by the Committee considering the prevailing market conditions and the norms as prescribed by SEBI and other relevant regulatory authorities.

g) Exercise period and the process of Exercise

The Exercise period shall commence from the date of vesting of Options and would expire not later than five year from the date of vesting. An Option shall be deemed to have been Exercised when the Company's Designated Scheme Administrator receives a written application (in physical or electronic form but in the form prescribed by the Committee) specifying the number of Stock Options to be Exercised along with full payment of the Exercise Price for the Options sought to be Exercised, together with taxes, if any, payable for such Exercise and upon the satisfaction of the tax liabilities as applicable.

h) The appraisal process for determining the eligibility of employees to the ESOP 2019

The Eligible Employees as per the criteria determined by the Board can be granted Options based on performance linked parameters such as work performance, company

performance, business performance and such other parameters as may be decided from time to time.

i) Maximum number of Options to be issued per employee and in aggregate

The total number of options that may be granted to any specific employee under one or more tranches during any one year shall not exceed 2% stock options and options that may be granted to any specific employee in aggregate shall not exceed 5% stock options.

j) Whether the scheme is to be implemented and administered directly by the Company or through a Trust:

The Company intends to implement ESOP 2019 with a view to attract and retain key talents working with the Company. For this purpose, it may set up an employee benefit trust for this purpose. The Board will facilitate setting up of employee welfare trust namely Spencer's Employee Benefit Trust, if so required, to implement and monitor the ESOP 2019.

k) Whether the scheme involves new issue of shares by the company or secondary acquisition by the trust or both:

Company's ESOP 2019 scheme involves new issue of equity shares by the Company as well as secondary market acquisition.

l) A statement to the effect that the company shall conform to the accounting policies specified in Regulation 15:

The Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein or such other policies as may be prescribed under SEBI SBEB Regulations.

m) The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.;

The Company proposes to provide, if required, financial assistance to the Spencer's Employee Benefit Trust for secondary acquisition of equity shares of the Company for the purpose of implementation of ESOP 2019. The terms and conditions (including tenure, utilisation, repayment terms) of such loans or security provided by the Company for any external loans shall be mutually agreed between the Company and Spencer's Employee Benefit Trust subject to the Companies Act 2013 read with Companies (Share Capital and Debentures) Rules 2014, SEBI SBEB Regulations and appropriate internal regulations of Spencer's Employee Benefit Trust. Accordingly, consent of the members is sought for

approving the Special Resolution for provision of monies/ loans or provision of security for loans obtained from the external financial institutions/lenders by Spencer's Employee Benefit Trust for secondary acquisition of equity shares of the Company for the implementation of ESOP 2019.

n) Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s);

o) Spencer's Employee Benefit Trust may acquire equity shares of the Company from the secondary market, subject to the provisions of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules 2014 and SEBI SBEB Regulations.

p) The conditions under which option vested in employees may lapse:

The vested options shall lapse in case of termination of employment due to misconduct or due to breach of Company policies or the terms of employment. Further, irrespective of employment status, in case vested options are not exercised within the prescribed exercise period, then such vested options shall lapse.

q) The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee:

In case of resignation/ termination (other than due to misconduct) all the vested options as on that date can be exercised by the employee only upon or in connection with liquidity event and within such period as shall be notified by the Committee in this regard.

r) Lock-In Period

The Shares allotted upon exercise of Stock Options granted under the Scheme are not subject to any lock in.

s) The method which the company shall use to value its options whether fair value or intrinsic value

The Company shall adopt the fair value method or any other method as per applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India or prescribed under any other statutory provisions from time to time for valuation of options.

t) Maximum quantum of benefits to be provided per employee under the ESOP 2019

The maximum quantum of benefits underlying the options issued to an eligible employee shall be equal to the difference between the option exercise price and the market price of the shares as on the exercise date.

u) Declaration

In case the Company has opted for Intrinsic Value

method for expensing of the benefits of the scheme, the difference between the Employee compensation cost so computed and the Employee compensation cost that shall have been recognized if it had used the Fair Value, will be disclosed in the Directors' Report and the impact of this difference on profits and on Earnings Per Share ("EPS") of the Company will also be disclosed in the Directors' Report.

Regulation 6(1) of SBEB Regulations requires that every employee stock option scheme shall be approved by the members of the company by passing a Special Resolution. Further, as ESOP 2019 will entail further issue of shares, consent of the members is required by way of a Special Resolution pursuant to Section 62(1)(b) of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution(s) mentioned at Item No.12, except

to the extent of the stock options that may be granted to them under ESOP 2019.

Your Directors, therefore, recommend the passing of the resolution(s) mentioned at Item No. 12 as Special Resolution.

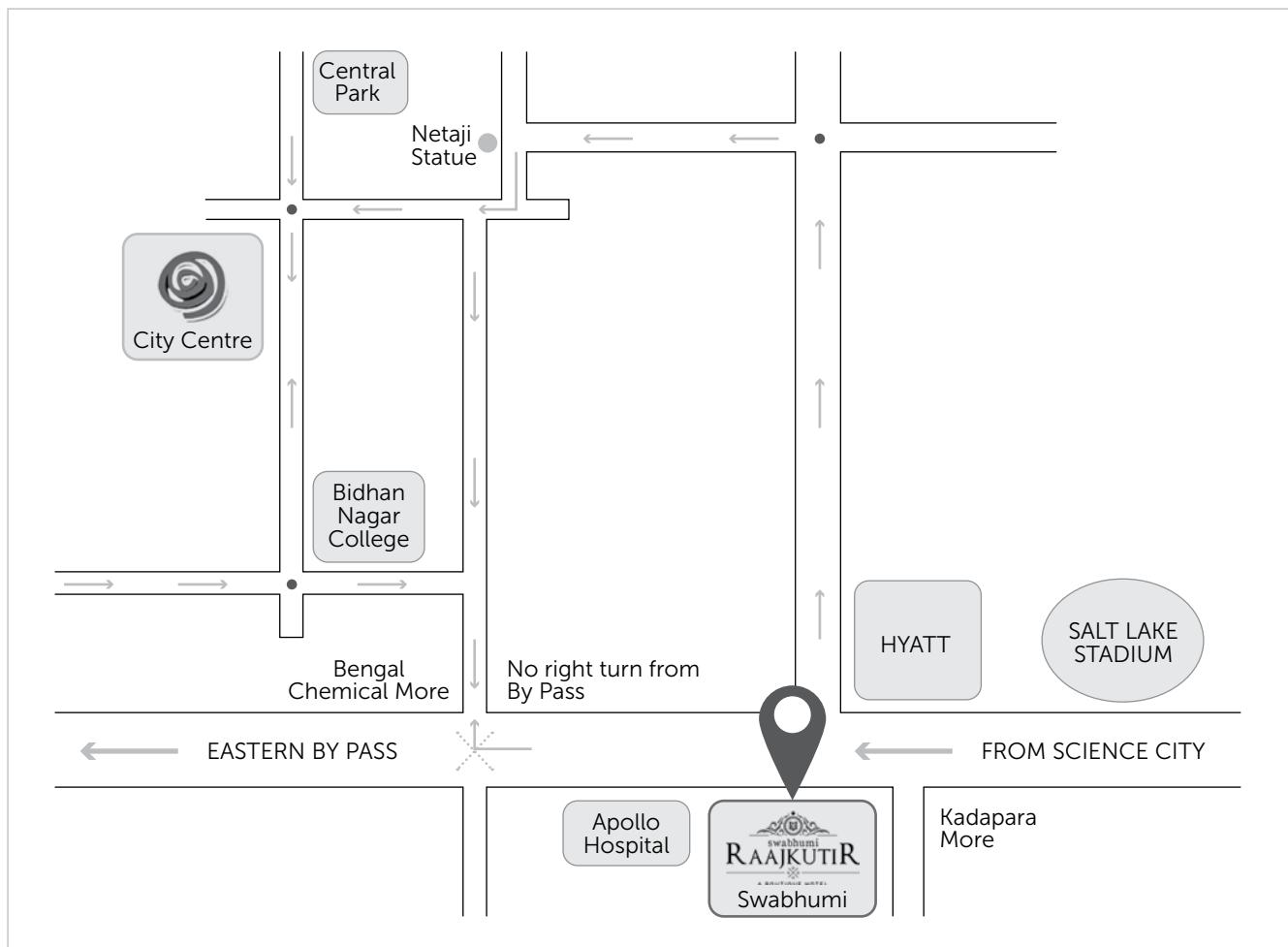
By Order of the Board

Rama Kant
Company Secretary
(Membership No: F4818)

Registered office

Duncan House
31, Netaji Subhas Road,
Kolkata – 700 001
CIN: L74999WB2017PLC219355
E-mail: spencers.secretarial@rp-sg.in
Website: www.spencersretail.com
Date: 17th May 2019

AGM VENUE ROUTE MAP



Directors' report

To the members,

Your Directors have the pleasure of presenting the Second Annual Report on the business and operations of the Company together with the audited financial statements for the financial year ended 31st March 2019.

Financial highlights

Particulars	(₹ in lakh)	
	FY2018-19	FY2017-18*
Revenue from operations and other income	2,21,497.50	1,05,180.93
EBITDA	4,172.23	937.91
Finance costs	744.65	379.92
Depreciation and amortisation	2,454.86	1,468.14
Profit/(Loss) before tax	972.72	(910.15)
Tax expenses	178.52	-
Profit/(Loss) after tax	794.20	(910.15)
Other comprehensive income	(143.43)	(32.77)
Total comprehensive income for the year	650.77	(942.92)

*Consequent to the demerger of the identified Retail Undertakings of the erstwhile Spencer's Retail Limited and CESC Limited as a going concern into the Company, pursuant to the Scheme (referred to below) being effective from appointed date being 1st October 2017, the financials for the year ended 31st March 2019 includes the operations of such Retail Undertakings from 1st October 2017 only. Consequently, results for the year ended 31st March 2019 are not comparable with the previous corresponding period. Further, the figures for the year ended 31st March 2018 represents results of working from 8th February 2017 (i.e. the date of incorporation of the Company) to 31st March 2018.

The financial statements for the year ended 31st March 2019 have been prepared in accordance with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.

Performance overview

Spencer's Retail Limited (SRL), the retail arm of RP-Sanjiv Goenka Group, opened 29 stores spanning 2.08 lakh sq ft of trading area during the year. These stores cater to all family needs – groceries, home and personal care products, apparel and accessories, consumer durables and lifestyle products. During the year 2018-19, the Company registered same-store sales growth of 3.10%.

The Company improved its performance significantly by becoming PAT-positive to ₹ 794.20 lakh at the end of the year. Moreover, the Company recently revamped its online ordering app and website and introduced Spencer's Kitchen as well as a subscription model where one can get their breads, eggs and other daily-use items delivered to their doorsteps. The Company continues to focus on growing

the topline, keeping costs under control and improvising the performance of the stores.

During the Financial Year 2019-20, SRL plans to expand its presence in its existing clusters. This will also help the Company leverage its back-end capabilities and optimise marketing costs. Furthermore, the Company will focus on increasing its non-food business revenues, enhancing the in-store experience and building team capabilities to realise its growth plans for the business. Looking ahead, the Company is moving closer towards achieving a much better performance in the coming year.

Dividend

The Board considers it prudent to conserve resources for the Company's growth and expansion and accordingly does not recommend payment of any dividend on its equity shares for the year ended on 31st March 2019.

Restructuring

A Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") amongst the Company, CESC Limited

(its erstwhile holding company) ("CESC") and some other CESC's subsidiaries was approved by National Company Law Tribunal, Kolkata Bench ("NCLT"), subject to the terms and conditions mentioned therein.

In terms of the said Scheme, with effect from 1st October 2017, Retail Undertaking of CESC and erstwhile Spencer's Retail Limited have been demerged to the Company. The Company now has only one subsidiary, Omnipresent Retail India Private Limited, referred to elsewhere in this report.

CESC shareholders have been allotted, without any payment, additional equity shares of the Company in the ratio of 6 fully paid-up equity shares of ₹ 5/- each against every 10 CESC shares held on 31st October 2018, the Record Date, resulting in allotment of 7,95,34,226 equity shares of ₹ 5/- each of the Company, which have been subsequently listed with National Stock Exchange of India Limited (NSE), BSE Limited (BSE) and The Calcutta Stock Exchange Limited (CSE). CESC has also been allotted 5,00,000 fully paid up preference shares of ₹ 100/- each at par aggregating to ₹ 500 Lakh.

The Board believes that the above restructuring will unlock value for the investors, give a focussed management attention to the business involving the Company and its subsidiary to pursue respective growth plan and allow the Company to take advantage of the market value for Retail business.

Management discussion and analysis

In compliance with Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (herein after referred as 'Listing Regulations'), a separate section on the Management Discussion and Analysis (Annexure-A), which includes details on the state of affairs of the Company is annexed hereto and forms a part of this Report.

Corporate governance

A separate Report on Corporate Governance (Annexure-B) alongwith Additional Shareholder's Information (Annexure-C), as prescribed under Listing Regulations, are annexed as a part of this Report along with the Corporate Governance Certificate thereon.

Extract of annual return

An extract of Annual Return as required to be attached in accordance with Section 134(3)(a) of the Companies Act, 2013, is annexed and form a part of this report (Annexure-D).

Share capital

The Company issued and allotted 7,95,34,226 fully paid equity shares of the face value of ₹ 5.00 each on 14th November 2018 to the Shareholders of CESC Limited in the ratio of 6 equity shares of the company for every 10 equity shares held by them in CESC Limited in terms of the

aforesaid scheme. The said shares have been listed with NSE, BSE and CSE. Your Company's paid-up Equity Share Capital as on 31st March 2019 stood at ₹ 3,976.71 lakh. The Company also allotted 5,00,000 fully paid up preference shares of ₹ 100 each aggregating to ₹ 500 lakh.

Directors and key managerial personnel

On 14th November 2018 the Board of Directors was reconstituted with the appointment of Mr. Sanjiv Goenka as Chairman and Non-Executive Non Independent Director, Mr. Shashwat Goenka as Non-Executive Non Independent Director, Mr. Utsav Parekh, Mr. Pratip Chaudhuri and Ms. Rekha Sethi as Non-Executive Independent Directors and Mr. Rahul Nayak as Whole-time Director of the company.

Furthermore, to broad-base the directorship of the Company, on 11th February 2019, Mr. Debanjan Mandal was appointed as Non-Executive Independent Director of the Company.

The appointments of all these directors by the Board were made as Additional Directors of the Company and are required to be confirmed in the forthcoming Annual General Meeting of the members of the Company and the same is included in the notice of the Annual General Meeting.

The company has received requisite notices from members proposing the candidature of aforesaid directors.

The Board seeks approval of the members to appoint Mr. Utsav Parekh, Ms. Rekha Sethi and Mr. Pratip Chaudhuri and Mr. Debanjan Mandal as Non-Executive Independent Directors on the Board, not liable to retire by rotation, for a period of five years, with effect from their respective dates of appointment, in accordance with the applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder.

On the recommendation of the Nomination and Remuneration Committee and subject to approval of the members, the Board of Directors of the Company appointed Mr. Devendra Chawla as CEO and Managing Director for a period of three years, with effect from 11th February 2019.

During the year, Mr. Sunil Bhandari and Mr. Gautam Ray, first Directors of the Company resigned from the Board as Director with effect from 14th November 2018. Mr. Rajarshi Banerjee, another Director resigned from the Board as Director with effect from 27th November 2018.

Mr. Arvind Kumar Vats was appointed as Chief Financial Officer (categorised as a key managerial personnel) and Mr. Navin Kumar Rathi as Company Secretary (categorised as a key managerial personnel) of the Company, with effect from 14th November 2018.

Mr. Navin Kumar Rathi resigned as the Company Secretary and Mr. Rama Kant was appointed as the Company Secretary (categorised as a key managerial personnel), with effect from 11th February 2019 as per the provisions of the Act.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Act.

Number of meetings of Board of Directors

The details of the number of meetings of the Board of Directors held during the Financial Year 2018-19 form a part of the Corporate Governance Report.

Listing

The equity shares of the Company got listed during the year at BSE, NSE and CSE. The trading of the shares commenced from 25th January 2019. The Company has paid the requisite listing fees to the Stock Exchanges up to the financial year 2019-20.

Registered office

During the year the Registered Office of the Company was shifted from CESC House, Chowringhee Square, Kolkata –700 001 to Duncan House, 31, Netaji Subhas Road, Kolkata – 700 001 w.e.f. 11th February 2019.

Public deposits

During the year, the Company did not accept any deposit, and as such, no amount of principal or interest was outstanding as on the date of the Balance Sheet.

Auditors

At the First Annual General Meeting of the Company, the members had appointed M/s. Batliboi, Purohit & Darbari, Chartered Accountants, (Firm Registration No. 303086E) as statutory auditors for a term of five consecutive years holding office until the conclusion of the Sixth Annual General Meeting.

Auditor's report

The Auditors' Report annexed to the financial statements for the year under review does not contain any qualification.

The Auditors have not reported any instance of fraud referred to in Section 134(3)(ca) of the Act.

Secretarial audit

Secretarial audit of secretarial and related records of the Company was conducted during the year by M/s. S. M. Gupta & Co., Company Secretaries, and a copy of the secretarial audit report is annexed and forms part of this report (Annexure-E). The secretarial audit report does not contain any qualifications, reservations or adverse remarks.

Cost Records

Neither maintenance of cost records nor audit of cost records as required under Section 148 of the Act read with relevant rules made thereunder is applicable to the Company.

Related-party transactions

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Hence, the provisions of Section 188 of the Act as amended are not attracted. Thus, disclosure in Form AOC-2 is not required. Further, there are no materially significant Related Party Transactions during the year under review made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons, which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee for approval/review.

The policy on Related Party Transactions as approved by the Board is posted on the Company's website and may be accessed at www.spencersretail.com

Particulars of loans, guarantees or investments

During the financial year under review, your Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investments made by the Company as provided in the Note 6 of the standalone financial statement of the Company.

Committees of the Board

Currently, the Board has four committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report section of this Report.

Directors' responsibility statement

Pursuant to Section 134 (3)(c) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief, confirm that:

- in the preparation of the accounts for the financial year ended 31st March 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- appropriate accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period;
- proper and sufficient care has been taken for the maintenance of accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d) the annual account have been prepared on a going concern basis;
- e) internal financial controls laid down by the directors have been followed by the Company and that such internal financial controls were adequate and operating effectively and;
- f) proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Board evaluation

Pursuant to the provisions of the Companies Act, 2013, Listing Regulations and Circulars and Guidance Notes issued by SEBI in this regard, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report, which is annexed hereto.

At a separate meeting of Independent Directors, the performances of Non-Independent Directors, the Board as a whole and the Chairman were evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

Risk management

The Company has laid out a proper mechanism in place to identify the elements of business and other risks and a risk management system to ensure compliance with the applicable laws and relevant standards.

Corporate social responsibility

In accordance with Section 135 of the Act and the rules made thereunder, the Company has formulated a Corporate Social Responsibility Policy, a brief outline of which along with the required disclosures are annexed (Annexure 'F') as a part of this Report.

Vigil Mechanism/Whistleblower policy

Pursuant to the guidelines laid down under Section 177 of the Act and the Rules made thereunder, the Company has a whistleblower policy (vigil mechanism) in place for reporting genuine concerns pertaining to any instances of irregularity, unethical practice and/or misconduct. The function of the vigil mechanism is reviewed by the Audit Committee from time to time. Further there have been no such incidents / whistles during the period under review. The details of the said policy have been disclosed in the Company's website www.spencersretail.com.

Anti-sexual harassment policy

The Company has in place an anti-sexual harassment policy in line with the requirements of Sexual Harassment of

Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 covering all employees of the Company. An internal committee has been set up for this purpose and further there is no complaint which is pending as on 31st March 2019.

Subsidiaries

As on 31st March 2019, the Company has one wholly-owned subsidiary, M/s. Omnipresent Retail India Private Limited, carrying online retail business.

The Company has prepared a consolidated financial statement for the Company and its subsidiary in the form and manner as that of its own, duly audited by M/s. Batliboi, Purohit & Darbari, the Statutory Auditors in compliance with the applicable accounting standards and the Listing Regulations.

The consolidated financial statements for FY2018-19 forms a part of the Annual Report and accounts and shall be laid before the Members of the Company at the Annual General Meeting. Pursuant to the provisions of Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the Company's subsidiary in Form AOC-1 is attached to the financial statements of the Company.

Furthermore, pursuant to the provisions of Section 136 of the Act as amended by the Companies Amendment Act, 2017, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries are available on the website of the Company.

The Company did not have any material subsidiaries in the immediately preceding financial year. However, as per revised Listing Requirements, SEBI has made it mandatory for all listed companies to formulate a policy for determining 'material' subsidiaries. Accordingly, a policy on 'material' subsidiaries was formulated by the Board of Directors and the same is also posted on the Company's website and may be accessed at: www.spencersretail.com

Secretarial standards

During the year under review, the Company has complied with Secretarial Standards, on meeting of the Board of Directors (SS-1) and on General Meetings (SS-2) as amended and issued from time to time by the Institute of Company Secretaries of India in terms of Section 118(10) of the Companies Act, 2013.

Awards and recognitions

The Company has been a proud recipient of numerous awards and recognitions during the year 2018-19. The significant ones among them are listed hereunder:

- 'Food and Grocery Retailer of the Year' at Franchise India Awards 2018
- 'IMAGES Most Admired Retailer of the Year: Customer Relations' at the IMAGES Retail Awards 2018 organised by the India Retail Forum
- 'First runner-up in the Retail Category' at the 13th edition of India's Buzziest Brands in 2018

Details of significant and material orders passed by the regulators, courts and tribunals

No significant and material order has been passed by the Regulators, Courts and Tribunals impacting the going concern status and the Company's operations in future.

Change in the nature of business

During the year under review, there was no change in the nature of the business of the Company.

Internal control systems and their adequacy

The Company maintains adequate internal control systems in all areas of its operations. The services of internal and external auditors are sought from time to time as well as in-house expertise and resources. The Company continuously upgrades these systems in line with best-in-class practices.

These reports and deviations are regularly discussed with the Management Committee members and actions are taken, whenever necessary. An independent Audit Committee of the Board periodically reviews the adequacy of the internal control systems.

Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo

The particulars as prescribed under sub-section (3)(m) of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed hereto and forms part of this Report (Annexure-G).

Particulars of employees

As required under the provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, particulars of the employees concerned forms a part of this Report. However as per the provisions of Section 136 of the Companies Act, 2013, the Annual Report and Accounts are being sent to all the members of the Company excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary of the Company.

Disclosure pertaining to remuneration and other details as required under section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed hereto and forms part of this Report (Annexure-H).

Employees Relations

Employee relations in the Company, during the year, continued to be cordial.

Acknowledgements

Your Directors wish to place on record their appreciation for the valuable services rendered by the employees of the Company, across levels. The Directors would also like to express their appreciation to the bankers, the regulatory authorities, the trade suppliers, the customers, the financial institutions and the shareholders for their continued support and cooperation.

On behalf of the Board of Directors

Kolkata
17th May 2019

Sanjiv Goenka
Chairman
(DIN 00074796)

Management Discussion and Analysis

Indian economic overview

India emerged as the sixth largest economy and retained its position as the fastest-growing trillion-dollar economy in 2018. However, after growing 7.2% in FY2017-18, the Indian economy expected to slow down to 7% in FY2018-19 (as per the second advance estimates released by The Central Statistics Office, CSO in February 2019). (Source: CSO, Economic Times)

On the positive side, the country attracted more foreign inflows than China - ~US\$ 38 billion – that was higher than China's US\$ 32 billion. India witnessed a 23-notch jump to a record 77th position in the World Bank's ease of doing business ranking. The commencement of the US-China trade war opened a new opportunity for India. Inflation (including food and energy prices) was pegged at 2.6% on an annual basis, one of the lowest in years and below the RBI's medium-term target of 4%. The rupee rebounded after touching a low of ₹ 74.45 to a dollar to close the financial year at ₹ 69.44. (Source: Business Standard, Economic Times)

India is expected to grow at 7.3% in FY2019-20, benefiting from the ongoing structural reforms. (Source: CSO, Fitch, Economic Times, Business Standard, IBEF, Business Today, India Today, IMF)

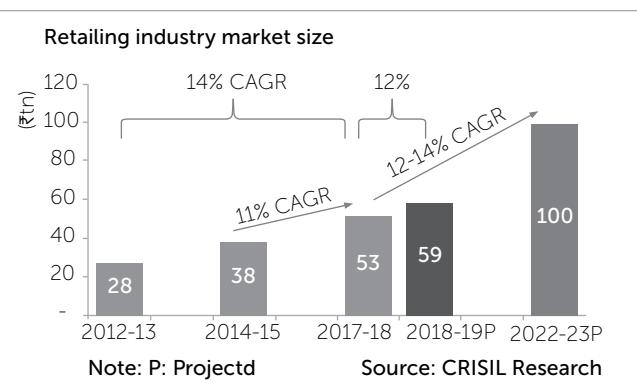
Indian retail industry overview

The Indian retail industry is one of the fastest-growing industries in the world. The country is the fifth largest globally preferred retail destination. India is also among the highest-ranked countries in terms of per capita store availability. India's retail sector reported attractive growth, with retail development taking place not just in the metropolitan cities but also Tier-II and Tier-III cities. The size of the sector was estimated at ₹ 43,251 billion in 2018. The Indian retail industry retained its position as one of the country's largest employers, accounting for an 11% share of the country's working population. (Source: ATKearney, RAI)

India's organised segment deepened its penetration of the overall retail sector. Product categories like jewellery, watches, footwear, consumer electronics and apparel cumulatively constituted 23% of the organised retail segment. Food and groceries accounted for only 3.4% of the organised segment. (Source: Motilal Oswal)

However, the food and groceries segment could emerge as a dramatic transformation story of India's organised retail market over the next few years. By 2021, India's food and groceries sector could grow ~27% to carve out a 6% of penetration of the organized retail sector following increased investments across the food processing ecosystem (cold storage, logistics, distribution and product development) in the foreseeable future. (Source: Motilal Oswal)

Besides, the Indian Government's decision to permit 100% foreign direct investment in single-brand retail through the automatic investment route and relaxation of sourcing norms could strengthen the growth of the country's organized sector. As a result, India's retail industry is estimated to grow 12% per annum over the next five years. (Source: CRISIL)



Indian organised retail industry overview

India's organised retail market is expected to treble by FY2025, driven by growing disposable incomes, consumer aspirations, social media influence, and secular shift in the country's retail consumption from the unorganized to the organized and widening organized retail store presence.

It has been estimated that 4,000 organised retail stores could be added by 2025, growing the segment at a CAGR of 15%. As a result, organised retail penetration is likely to grow from around 10% in 2018 to ~13% in 2023. (Source: Motilal Oswal)

Besides, GST implementation could drive organized market share as the tax arbitrage enjoyed by unorganized players could narrow. On the supply side, store expansions by existing players and the entry of new players could enhance visibility for the organized sector as a whole.

The Indian economy is expected to report 7%-plus GDP growth in 2019-20. India's organized retailers are expanding into Tier-II and III cities. The country's organised retail sector is expected to grow at 20-22% to ₹ 7 to 7.5 trillion by the financial year 2020-22 on the back of new store rollout, rising disposable incomes, evolving consumer lifestyle preferences and increasing traction for branded products. [Source: CRISIL Research (Spencer's Information Memorandum)]

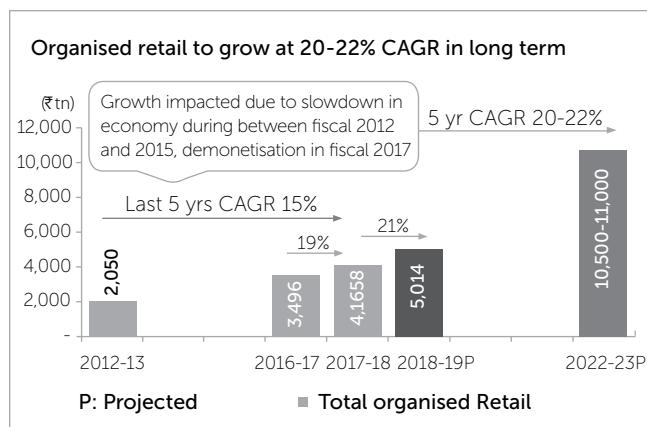
Trends in organized retail market

Apparel, consumer durables and footwear to drive growth:

The share of organized apparel retail is expected to grow at 20-22% compound annual growth rate (CAGR) between the financial year 2017-18 and 2020-21 following increased new store rollout, rising incomes, transforming lifestyles and growing preference for branded products.

Consumer durables catalyst: The share of consumer durables offtake in the organised retail sector is growing on account of superior range, display, store ambience, financing and prominent locations. A healthy growth of around 14% Y-o-Y is expected to have transpired in this segment in the financial year 2018-19 with pent-up demand of the two previous years correcting itself, expectation of stable prices, increased disposable incomes, attractive GDP growth, stable inflation and moderate interest rates.

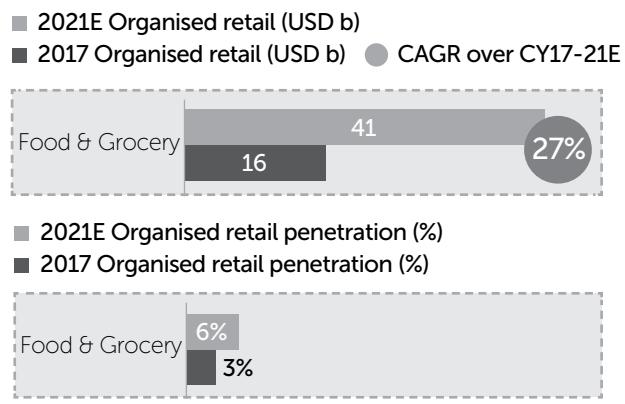
Specialty retailers to drive niche growth: Niche segments like home (comprising home furniture and furnishings of which furniture accounts for 50% of home decor revenues) are expected to grow. In the furnishings category, the shop-in-shop format in hypermarkets and department stores are expected to drive growth.



India's retail sector [USD/bn]

Year	Unorganised retail	Organised retail	Share of organised retail
2012	370	28	7%
2017	643	67	9%
2021E	962	144	13%

(Source: Motilal Oswal)



(Source: Motilal Oswal)

Sectoral growth drivers

Disposable incomes: The annual income earned by an average Indian has doubled in seven years from ₹ 63,642 in 2011-12 to around ₹ 125,000 in 2018-19, a robust pipeline for consumption growth. (Source: Business Standard)

Spending patterns: India is one of the youngest global economies with a median age of around 28 years. Indian millennials stand out on account of their consumption patterns, convenience needs and brand preferences. A high proportion of their income is allocated towards eating out and entertainment (32.7%), apparel and accessories (21.4%) and electronics (11.2%), among others – an opportunity for retailers across the food, fashion, luxury product and consumer durable categories.

Challenges

International standards: Even though India has retail outlets of different formats, sizes and styles, the broad sectoral average possesses considerable headroom in matching international standards.

Retail space: Most retail outlets in India are less than 500 sq ft, considerably smaller than the global average

Retail fraud: As the size of the sector increases, the need for electronic surveillance could increase.

Distribution system: Inefficient distribution is the biggest reason of systemic losses.

Indian e-commerce industry overview

The Indian e-commerce market is one of the fastest growing and most in India, expected to grow from US\$38.5 billion to US\$ 200 billion by 2026 catalysed by increased smartphone and internet penetration. The digital transformation in the country is expected to increase the number of internet users to 829 million by 2021 from 560.01 million as of September 2018. A number of retailers and e-commerce firms are collaborating to build a value-added distribution network.

Growth drivers

Internet penetration: Increased bandwidth, low-cost data plans and increased awareness driven by governmental

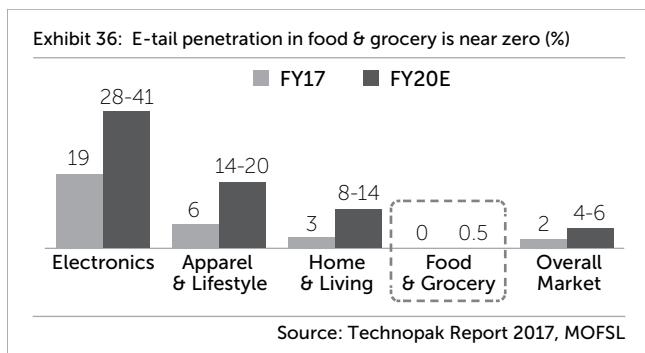
programmes have led to the accumulation of ~293 million active internet users in urban India and 200 million active users in rural India.

Large investments: Due to the rapid growth in smartphone penetration and declining data costs, online transactions have increased. Consumers find it convenient to order online.

Social media: Social media is increasingly influencing consumption patterns, quantum and frequency.

Product assortment: Online shopping offers a wider consumer choice than brick-and-mortar retails which are constrained by space.

[Source: Business Today, Hindustan Times, Motilal Oswal, Business Journal]



Strengths

- Easy access to market for suppliers
- Convenience
- Doorstep delivery
- Low capital expenditure

Challenges

- No tactile product experience
- High logistics cost

Company review

Spencer's Retail Limited, part of RP-Sanjiv Goenka Group, is a multi-format retailer providing a range of quality products across categories (food, personal care, fashion, home essentials, electrical and electronics). Specialty sections such as Spencer's gourmet, patisserie, wine and liquor, and the recently-launched Epicuisine section are differentiators across its large stores.

Spencer's was one of the earliest entrants in India's organized retail. The company launched the first hypermarket in India in Hyderabad in 2000. Today, Spencer's operates 156 stores across 39 Indian cities. Spencer's brand positioning of 'Makes Fine Living Affordable' embodies its philosophy of delighting shoppers with the best products and services that enhance fine living at reasonable prices in a friendly retail environment.

Operational performance

During the year, the Company improved its performance significantly by increasing its revenue as well as becoming PAT-positive to ₹ 7.94 crore at the end of the year. To strengthen prospects, the Company continues to focus on growing the topline, keeping costs under control and improvising the performance of the stores on the one hand while diversifying from a large food and grocery focus to non-food categories.

As a strategy, the Company has been increasing the share of non-food items to truly position it as a food to retail brand. It continued to strengthen its offering under its own brands and strengthened the apparel business with launch of 2Bme.

During the year under review, the Company opened 29 new stores with 2.08 lakh sq ft of trading area in its focus markets.

The Company plans to accelerate growth through accelerated store addition and improved store productivity by focusing on large-sized formats and non-food offerings. To increase bill size, store productivity and store gross margins, Spencer's plans to increase the share of apparel in its product mix following the launch of its proprietary value fashion brand 2Bme across its stores.

Key strategic areas

- Focus on margin-accretive private labels and increase its share in the Company's revenue
- Grow the revenue share of non-food items, primarily apparel
- Leverage economies-of-scale
- Launch mainly large stores in existing clusters

Financial review, FY2018-19

- **Revenues:** Revenues (Including other Income) during the year stood at ₹ 2,214.98 crore, as compared to ₹ 1,051.81 crore in FY2017-18.
- **Profit after tax:** The Company registered a profit after tax of ₹ 7.94 crore compared to loss of ₹ 9.10 crore in the previous year.

Key financial highlights

Particulars	2018-19	2017-18*
Turnover (Including other Income) (₹ in crore)	2,214.98	1,051.81
Return on equity (%)	1.33%	(1.54%)
Net Assets Value per share (₹)	75.00	74.18
Earnings per share (₹)	1.00	(2.62)

*Pursuant to the scheme effective from appointed date i.e. 1st October 2017, the financial numbers of FY2018-19 are not comparable with the financial numbers of FY2017-18.

Key ratio

Particulars	2018-19	2017-18
Debtors Turnover (Days on Revenue)	8	7
Inventory Turnover (Days on Revenue)	47	46
Current Ratio	1.60	1.28
Operating Profit Margin (%) (EBIT Margin)	0.79%	-0.51%
Net Profit Margin (%) / PAT	0.36%	-0.87%
Return of Networth (%)	1.33%	-1.54%

Table presents key financial ratios, as applicable, for Spencer's Retail Limited as a standalone entity. The change in each of the financial ratio is significant, as defined under the amended SEBI (LODR) Regulations i.e. over 25% compared to previous year. However, as mentioned earlier, the figure for 2018-19 are not comparable with that of 2017-18 due to the demerger becoming effective on 1st October 2017.

Risk management

Competition risk: The business that the Company is present in possesses low entry barriers, which could increase competition.

Mitigation: Spencer's runs 156 stores across 39 Indian cities. Spencer's stores possess contemporary interiors, trained customer-interfacing professionals, wider and deeper product assortment and an aspirational merchandise positioning – a competitive differentiation.

Product risk: If the Company is not able to provide quality products, it could fail to find new customers or lose existing ones.

Mitigation: Quality is a reason why Spencer's enjoys a loyal customer base. Spencer's has invested in differentiated products, increased stores rollout, superior service and deeper customer engagement.

Liquidity risk: A liquidity crunch could affect operations.

Mitigation: The Company had no debt on its Balance Sheet as on 31st March 2019. The cash-and-carry model in retail format acted as a business hedge against risks.

Geographic risk: Being concentrated in few locations could result in losing out on opportunities.

Mitigation: The Company had 156 stores across 39 Indian cities. It added 29 stores spanning across 12 cities in its focus markets during FY2019.

Inventory risk: Inefficient inventory management could result in inventory pile-up.

Mitigation: The Company manages inventory by offering discount on slow-moving items. Furthermore, it follows the first-in-first-out method to reduce the quantum of closure to expiry products. Products entering the Company's stores need to have at least 70% resident life, an effective hedge against product expiry.

Internal control systems and their adequacy

The Company's robust and intricate internal control systems ensure efficient use of resources and compliance with established policies, procedures and statutory requirements. The Company has developed well-documented guidelines, procedures for authorisation and approvals, including regular audits. The Company has a well-established internal audit framework that covers all aspects of financial and operational controls, across units, functions and departments. The Company also has an efficient financial reporting system in place. The Company's internal audit team is actively engaged in the evaluation and improvement of various functions and activities of the company and other support functions and departments.

Human resources

The Company employed 5,381 officers and employees as on 31st March 2019. Increase in the value of human capital through the development of individual and collective competencies has helped the Company stay in step with market developments and requirements. The Company implemented programmes and projects related to skill development, competence upgradation and knowledge sharing were conducted. A number of innovative ideas received from employees were implemented, resulting in qualitative enhancement, cost optimisation and productivity improvement.

Cautionary statement

The statements in the Management Discussion and Analysis section describing the Company's objectives, projections, estimates and prediction may be considered as forward looking statements. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market positioning, expenditures and financial results are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievement may thus differ materially from those projected in such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statement on the basis of any subsequent developments, information or events. To avoid duplication and repetition, certain heads of information required to be disclosed in the Management Discussion and Analysis have been included in the Board's Report.

On behalf of the Board of Directors

Sanjiv Goenka

Chairman

(DIN 00074796)

Kolkata

17th May 2019

Report on Corporate Governance

The Company's Philosophy on Corporate Governance

Spencer's Retail Limited (Spencer's or 'the Company') is one of the leading retail brands in India with a presence across multiple retail formats. The Company is committed to continuously upgrade its operations and performance to enhance stakeholder value. The Corporate Governance framework of the Company is based on an effective and independent Board of Directors. The separation of the supervisory role of the Board of Directors from the executive management team and constitution of the committees of the Board of Directors has been carried out as required under the applicable laws. A robust corporate governance framework has been implemented across the organization so as to sustain and improve, with each passing day, the Company's efficiency, effectiveness and social responsibility. The basic philosophy of corporate governance in the organization emphasizes on maintaining the highest levels of transparency, accountability, awareness and equity across all operational aspects. As a listed company, Spencer's ensures compliance with the applicable provisions of the Listing Regulations pertaining to corporate governance, including the appointment of the Independent Directors and constitution of Committees of the Board. The Board of Directors functions either independently or through various committees constituted to oversee specific operational areas. The Company's management provides the Board of Directors with detailed reports on a periodic basis. The Company continuously endeavours to design and improve the flow of activities in an effective manner and ensure economic prosperity and long-term value creation for the enterprise as well as the stakeholders. As such, the Company has established a fair, transparent and ethical governance practices.

The Listing Regulations became applicable to the Company with effect from 25th January 2019, i.e. the date when the equity shares of the Company got listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). Listing with Calcutta Stock Exchange (CSE) was approved from 31st January 2019. A report on the Company's compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, is given hereunder. This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholder Information, reports the status of compliance of corporate governance norms of the Listing Regulations by Spencer's Retail for the year ended 31st March 2019.

Board of Directors

COMPOSITION AND ATTENDANCE

As on 31st March 2019, the Company's Board of Directors ('the Board') consisted of eight Directors (All Additional Directors), of whom four were Independent Directors, including a Woman Director. Managing Director and Whole-time Director are the two Executive Directors of the Company. The composition of the Board satisfies the requirements of Section 149 of the Companies Act, 2013 ("the Act") and the Listing Regulations.

Composition of the Board and attendance record of the Directors are detailed in Table 1 below. None of the Directors is a member of more than ten Board-level Committees of public companies in which they are Directors or is a Chairman of more than five such Committees.

Table 1 : Composition of the Board of Directors as on 31st March 2019.

Name	Category	No. of other Directorships and Committee membership / Chairmanships in other Indian public companies			Attendance Particulars		
		Director (Note -1)	Member (Note -2)	Chairman (Note -2)	No. of Board Meetings Held	No. of Board Meetings Attended (Note -6)	Attendance at last AGM
Mr. Sanjiv Goenka	Promoter, Non-Executive, Chairman	8	6	4	7	1	NA
Mr. Shashwat Goenka	Promoter, Non-Executive	4	3	0	7	1	NA
Mr. Utsav Parekh	Non-Executive, Independent	9	7	4	7	1	NA
Mr. Pratip Chaudhuri	Non-Executive, Independent	9	9	3	7	1	NA
Ms. Rekha Sethi	Non-Executive, Independent	5	3	0	7	-	NA
Mr. Debanjan Mandal	Non-Executive, Independent	8	3	0	7	-	NA
Mr. Devendra Chawla	CEO and Managing Director	0	0	0	7	1	NA
Mr. Rahul Nayak	Whole-time Director	0	1	0	7	1	NA
Mr. Sunil Bhandari	Non-Executive Director	-	-	-	7	6	YES
Mr. Gautam Ray	Non-Executive Director	-	-	-	7	6	YES
Mr. Rajarshi Banerjee	Non-Executive Director	-	-	-	7	6	YES

Notes :

1. Directorships held by Directors as mentioned in Table 1 do not include alternate directorships, directorships of foreign companies, Section 8 companies, one person companies and private limited companies.
2. Memberships / Chairmanships of only the Audit Committees and Stakeholders Relationship Committees of public limited companies have been considered.
3. None of the Directors except Mr. Sanjiv Goenka and Mr. Shashwat Goenka are related to each other.
4. The details of the familiarisation programme for Independent Directors is disclosed on the Company's website at <http://www.spencersretail.com>
5. Mr. Sunil Bhandari, Mr. Rajarshi Banerjee and Mr. Gautam Ray were the first directors of the Company. Mr. Sunil Bhandari and Mr. Gautam Ray both resigned with effect from 14th November 2018 while Mr. Rajarshi Banerjee resigned on 27th November 2018.
6. Mr. Sanjiv Goenka, Mr Shashwat Goenka, Mr. Utsav Parekh, Mr. Pratip Chaudhuri, Ms. Rekha Sethi and Mr. Rahul Nayak were appointed as Additional Directors w.e.f 14th November 2018. Mr. Rahul Nayak was also appointed as a Whole-Time Director. Subsequently on 11th February 2019, Mr. Debanjan Mandal was also appointed as Additional Director and Mr. Devendra Chawla as Additional Director and Managing Director.

Table : 2 Details of directorship of present Directors in other Listed Entities

Name of the Directors	Directorship in Listed Entities	Category
Mr. Sanjiv Goenka	a) CESC Limited b) Phillips Carbon Black Limited c) Saregama India Limited d) Firstsource Solutions Limited e) CESC Ventures Limited	Chairman / Non-Executive / Non-Independent
Mr. Shashwat Goenka	a) Phillips Carbon Black Limited b) Firstsource Solutions Limited c) CESC Ventures Limited	Non-Executive / Non-Independent
Mr. Utsav Parekh	a) Xpro India Limited b) Texmaco Rail & Engineering Limited c) Texmaco Infrastructure & Holdings Limited. d) Smifs Capital Markets Limited.	Non-Executive / Independent
Mr. Pratip Chaudhuri	a) CESC Limited b) Visa Steel Limited c) Firstsource Solutions Limited d) Quess Corp Limited e) Cosmo Films Limited	Non-Executive / Independent
Ms. Rekha Sethi	a) CESC Limited a) Sun Pharmaceutical Industries Limited	Non-Executive / Independent
Mr. Debanjan Mandal	a) Century Plyboards (India) Limited b) Industrial and Prudential Investment Co. Limited c) Apeejay Tea Limited d) Anmol Industries Limited Edward Food Research and Analysis Centre Limited e) Apeejay Surendra Park Hotels Limited	Non-Executive / Independent
Mr. Devendra Chawla	NIL	NIL
Mr. Rahul Nayak	NIL	NIL

Expertise and competence of the Board of Directors

Board of Directors of the Company comprises of 6 Non-Executive Directors, who are highly experienced professionals drawn from diverse fields, which enables them to contribute effectively to the Company and enhance the quality of the Board's decision-making process.

Mr. Sanjiv Goenka Chairman steers the deliberations of the Board with inputs from independent and non-independent directors. Mr. Devendra Chawla, CEO and Managing Director and Mr. Rahul Nayak, Whole-Time Director both Executive Directors on the Board, are also well qualified professionals with rich corporate level experience.

Board Meetings

In 2018-19, the Board met seven times on 19th May 2018, 10th September 2018, 12th October 2018, 25th October 2018, 5th November 2018, 14th November 2018 and 11th February 2019. The maximum gap between any two Board meetings was less than one hundred and twenty days.

Meetings of Independent Directors

During 2018-19, Independent Directors met on 11th February 2019 in order to, inter alia, review the performance of non-independent directors including that of the Chairman, assess the effectiveness of flow of information between the company management and the Board and other related

matters. All the Independent Directors except Ms. Rekha Sethi attended the meeting.

Confirmation of independence

The Independent Directors have confirmed that they meet the criteria of independence under section 149(6) of the Act and the Listing Regulations. The Board of Directors of the Company is of the opinion that the independent directors fulfill the conditions specified in Listing Regulations and are independent of the management. None of the independent Directors resigned before the expiry of his tenure since the last Annual General Meeting of the Company.

Information placed before the Board

Along with the agenda papers, the Directors are presented with detailed notes including necessary information as required under the Statute and in line with the guidelines on Corporate Governance. These papers are circulated to the Directors well in advance so that they can come prepared at the meetings. The Board periodically reviews compliance reports prepared by the Company regarding all laws applicable to the Company. There has not been any instance of any non-compliance.

Important operational matters are brought to the notice of the Board at its meetings and various divisional heads in charge of the Company's operations attend the Board

Meetings to provide inputs and explain any queries pertaining to their respective areas of operation to enable the Board to take informed decisions.

Code of conduct

The Code of Business Conduct and Ethics ('the Code') relating to matters concerning Board members and Senior Management Personnel and their duties and responsibilities have been meticulously followed. All Directors and Senior Management Personnel have affirmed compliance of the provisions of the Code during 2018-19 and a declaration from the Managing Director to that effect is given at the end of this report. The Code is posted on the Company's website www.spencersretail.com.

Committees of the Board

The Board currently has four committees namely:

1. Audit Committee
2. Stakeholders Relationship Committee
3. Nomination & Remuneration Committee, and
4. Corporate Social Responsibility Committee

The terms of reference of the Board Committees are governed by relevant Legislations and/or determined by the Board from time to time.

1. AUDIT COMMITTEE

(i) Composition :

As on 31st March 2019, Audit Committee consisted of Mr. Shashwat Goenka, Mr. Pratip Chaudhuri and Mr. Utsav Parekh, being the Chairman of the Committee. All members of the Audit Committee have accounting and financial management expertise.

(ii) Meetings:

The Committee met on 11th February 2019. The attendance record of the Members at the Meeting is given below in Table

Table 3 : Attendance Record of Audit Committee

Members	Status	Category	Number of meetings	
			Held	Attended
Mr. Utsav Parekh	Chairman	Independent	1	1
Mr. Shashwat Goenka	Member	Non-Executive	1	1
Mr. Pratip Chaudhuri	Member	Independent	1	1

The chief of finance and representatives of the Statutory Auditors and Internal Auditors are invited by the Audit Committee to its meetings. The Auditors are heard in the meetings of the Audit Committee when it considers the financial results of the Company and Auditors' views thereon. The Company Secretary is the Secretary to the Committee.

(iii) Terms of reference

The functions of the Audit Committee of the Company include the following:

- (a) oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) provide recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (c) approve payment to statutory auditors for any other services rendered by them;
- (d) review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (i) matters required to be included in the Director's Responsibility Statement to be included in the board of directors report in terms of clause (c) of sub Section 3 of Section 134 of the Companies Act, 2013;
 - (ii) changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
 - (iv) significant adjustments made in the financial statements arising out of audit findings;
 - (v) compliance with listing and other legal requirements relating to financial statements;
 - (vi) disclosure of any related party transactions; and
 - (vii) modified opinion(s) in the draft audit report.
- (e) review, with the management, the quarterly and any other partial year period financial statements before submission to the board of directors for their approval;
- (f) review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to our board of directors to take up steps in this matter;
- (g) review and monitor the auditor's independence and performance, and effectiveness of audit process;

- (h) approve or subsequently modify transactions of the Company with related parties;
- (i) scrutinize inter-corporate loans and investments;
- (j) provide valuation of undertakings or assets of the Company, wherever it is necessary;
- (k) evaluate internal financial controls and risk management systems;
- (l) review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (m) review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (n) discuss with internal auditors of any significant findings and follow up there on;
- (o) review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (p) discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (q) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (r) to review the functioning of the whistle blower mechanism;
- (s) approve the appointment of the Chief Financial Officer of the Company (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (t) oversee the vigil mechanism established by the Company and the chairman of audit committee shall directly hear grievances of victimisation of employees and directors, who use vigil mechanism to report genuine concerns; and
- (u) carry out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board of Directors of the Company or specified/provided under the Act or by the Listing Regulations

or by any other regulatory requirement.

- (v) Reviewing the utilisation of loans and / advances from investment by the Company in its subsidiaries for an amount exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans/ advances / investments.

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- I. Management discussion and analysis of financial position and results of operations.
- II. Statement of significant related party transactions, Management letters/letters of internal control weaknesses issued by the statutory auditors.
- III. Internal audit reports relating to internal control weaknesses.
- IV. The appointment, removal and terms of remuneration of the chief of internal audit function.
- V. Whenever applicable, monitoring end use of funds raised through public issues, rights issues, preferential issues by major category (capital expenditure, sales and marketing, working capital, etc), as part of the quarterly declaration of financial results.

In addition, Audit Committee of the Board is also empowered to review the financial statements, in particular, investments made by the unlisted subsidiary companies, in view of the requirements under Regulation 24 of the Listing Regulations.

2. STAKEHOLDERS' RELATIONSHIP COMMITTEE

(i) Composition :

As on 31st March 2019, the Stakeholders Relationship Committee was constituted on 14th November 2018 and consisted of Mr. Sanjiv Goenka, the Chairman of the Committee, Mr. Shashwat Goenka and Mr. Rahul Nayak. However, w.e.f. 11th February 2019 the committee was re-constituted by adding Mr. Utsav Parekh.

Mr. Rama Kant, Company Secretary is the compliance officer of the Committee.

(ii) Meetings:

One meeting was held since close of the year on 17th May 2019.

Details of the number and nature of complaints received and redressed during the financial year 2018-19 are given in the section titled "Additional Shareholder Information".

(iii) Terms of reference:

The terms of reference of the Stakeholders Relationship Committee include the following:

- (a) Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., and assisting with quarterly reporting of such complaints;
- (b) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (c) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time; Overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services; and
- (d) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Act or Listing Regulations, or by any other regulatory authority.

For expediting the above processes, the Board has delegated necessary power to the Company Secretary who is also the Compliance Officer.

3. NOMINATION & REMUNERATION COMMITTEE

(i) Composition :

As on 31st March 2019, the Nomination Remuneration Committee comprised of Mr. Sanjiv Goenka, Mr. Pratip Chaudhuri and Mr. Utsav Parekh, Chairman. The committee met on 11th February 2019 to appoint Independent Director and also to appoint and fix the remuneration of the Managing Director and Company Secretary. The attendance of members is given in the below table :-

Table 4: Attendance Record of Nomination & Remuneration Committee

Members	Status	Category	Number of meetings	
			Held	Attended
Mr. Sanjiv Goenka	Member	Non-Executive	1	1
Mr. Utsav Parekh	Chairman	Non-Executive	1	1
Mr. Pratip Chaudhuri	Member	Non-Executive	1	1

(ii) Remuneration Policy :

In accordance with the recommendation of the Committee, the Company has since formulated a Remuneration Policy for directors, key managerial personnel and other employees of the Company. The Committee is also responsible for recommending the fixation and periodic revision of remuneration of the CEO and Managing Director/Whole-Time Director.

(iii) Terms of Reference :

The role of the Nomination & Remuneration Committee includes:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (b) Formulation of criteria for evaluation of performance of independent directors and the Board;
- (c) Devising a policy on Board diversity;
- (d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- (e) Analysing, monitoring and reviewing various human resource and compensation matters;
- (f) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- (g) Determining remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- (h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (i) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (j) Perform such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (k) Administering any employee stock option plan ("Plan");

- (l) Determining the eligibility of employees to participate under the Plan;
- (m) Granting options to eligible employees and determining the date of grant;
- (n) Determining the number of options to be granted to an employee;
- (o) Determining the exercise price under the Plan;
- (p) Construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan;
- (q) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
 - a. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
 - b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended.
- (r) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

(s) Performance Evaluation Criteria:

The performance evaluation criteria for Non-Executive including Independent Directors laid down by the Committee and taken on record by the Board includes:

- Attendance and participation in the Meetings
- Preparedness for the Meetings
- Understanding of the Company and the external environment in which it operates and contributes to strategic direction
- Raising of valid concerns to the Board and constructive contribution to issues and active participation at meetings
- Engaging with and challenging the management team without being confrontational or obstructionist.

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

(i) Composition :

As on 31st March 2019, the Corporate Social Responsibility Committee consisted of Mr. Sanjiv Goenka, Chairman, Mr. Shashwat Goenka and Mr. Utsav Parekh.

(ii) Meetings :

One meeting was held since close of the year on 17th May 2019.

(iii) Terms of reference :

The terms of reference of the Corporate Social Responsibility Committee are as follows:

- (a) To formulate and recommend to the board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;
- (b) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (c) To recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- (d) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- (e) To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and
- (f) To perform such other duties and functions as the Board may require the Corporate Social Responsibility Committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013.

Committee Recommendation

There were no instances of any recommendation by the Committees that was not accepted by the Board.

Remuneration of Directors

Payment of remuneration to the CEO, Managing Director and Whole-time Director are governed by the agreements executed between them and the Company and will be governed by Board and Shareholders' resolutions. The remuneration structure comprises of salary, variable pay, perquisites and allowances and retirement benefits in the forms of superannuation and gratuity. The details of remuneration to the Directors have been given below:-

Remuneration to Non-Executive Directors for the year ended 31st March 2019:

Details of Sitting Fees paid to Non-Executive Directors during the Financial Year 2018-19 are as follows : Mr. Sanjiv Goenka, Chairman -

Name	Category	Figures in Lakh
Mr. Sanjiv Goenka	Non-Executive	1.5
Mr. Shashwat Goenka	Non-Executive	1.5
Mr. Pratip Chaudhuri	Independent	2.5
Mr. Utsav Parekh	Independent	2.5
	Total	8.0

Sitting fees include payment for Board-level committee meetings. Apart from sitting fees, no other payments have been made to the Non-Executive Directors during the year.

Remuneration of Executive Directors:

The remuneration of Mr. Devendra Chawla, who was appointed as the CEO and Managing Director of the Company during the year, was in accordance with the resolution passed by the Board of Directors in its meeting held on 11th February 2019, subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company. The salary and other benefit of ₹ 0.42 crore has been paid to the CEO and Managing Director during the financial year ended 31st March 2019.

The remuneration of Mr. Rahul Nayak, who was appointed as the Whole-time Director of the Company during the year, was in accordance with the resolution passed by the Board of Directors in its meeting held on 14th November 2018, subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company. The salary and other benefit of ₹ 0.55 crore has been paid to the Whole-time Director during the financial year ended 31st March 2019.

Shares held by Non-Executive Directors as on 31st March 2019 :

Name	No of shares held
Mr. Sanjiv Goenka	80,876
Mr. Shashwat Goenka	66,844

As on 31st March 2019, no convertible instruments of the Company were outstanding.

Subsidiary companies

As on 31st March 2019, Spencer's Retail Limited had one subsidiary, Omnipresent Retail India Private Limited. However, this subsidiary company was not a material subsidiary of the Company.

Web link of policy for determining material subsidiaries is given below :

www.spencersretail.com

Management discussion and analysis

This Annual Report has a detailed chapter on Management Discussion and Analysis.

Disclosures by management to the Board

All disclosures relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board and the interested Directors neither participate in the discussion nor do they vote on such matters.

Disclosure of accounting convention in preparation of financial statements

The financial statements have been prepared to comply with in all material aspects with the applicable accounting principles in India, including accounting standards notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act. The financial statements have also been prepared in accordance with relevant presentational requirements of the Act.

Fees paid to the statutory auditor by the company and its subsidiary :

Auditor/Firm Name	Company name	Service rendered	Fees paid (in ₹ Lakh)
Batliboi, Purohit & Darbari	Spencer's Retail Limited	Statutory audit fees	8.00
Batliboi, Purohit & Darbari	Spencer's Retail Limited	Tax audit fees	2.00
Batliboi, Purohit & Darbari	ORIPL	Statutory audit fees	2.00
Batliboi, Purohit & Darbari	ORIPL	Tax audit fees	1.00

Code for prevention of insider trading practices

The Company has in place a code – "Code of Conduct to Regulate, Monitor and Report Trading by Insiders" in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. The code lays down guidelines, which advises the insiders on procedures to be followed and disclosures to be made, while dealing with the Company's securities. The code clearly specifies, among other matters, that "Designated Persons" including Directors of the Company can trade in the Company's securities only when the 'Trading Window' is open. The trading window is closed during the time of declaration of financial results, dividend and other important events as mentioned in the Code.

Apart from the above, the Company also has in place a "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" in terms of the aforesaid regulations. Company Secretary is the Compliance Officer who also heads the Investor Relation Functions. The above two codes are posted on the Company's website www.spencersretail.com

Credit ratings

The Company has not obtained any credit rating during the financial year 2018-19.

Utilization of funds

Since its incorporation, the Company has not raised any funds through preferential allotment or qualified institutional placement.

Related party transactions

Details of transactions of a material nature with any of the related parties as specified in Indian Accounting Standard (IND AS- 24) issued by the Institute of Chartered Accountants of India are disclosed in Note 36 to the financial statements for the year 2018-19. There has been no material transaction with any of the related parties which may have potential conflict with the interests of the Company. there has been no material pecuniary relationships or transactions between the Company and its Non-Executive Directors during the year. The Company's policy on dealing with Related Party Transactions is posted at: www.spencersretail.com

Whistle blower policy

As required under the Act and Listing Regulations, the Company has formulated a Vigil Mechanism and Whistle Blower Policy for its Directors and permanent employees. Under the Policy, instances of any irregularity, unethical practice and / or misconduct can be reported to the management for appropriate action. No such case has been reported during the year and accordingly, the question of denying any personnel due access to Audit Committee did not arise.

Anti sexual harassment policy

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at Work-place (Prevention, Prohibition & Redressal) Act, 2013 covering all employees of the Company. Further, the Company has set up an Internal Complaint Committee in compliance with Sexual Harassment of Women and Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder.

Disclosure in relation to the Sexual Harassment of Women at Workplace

Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

CEO/CFO Certification

Certification by the CEO and the CFO as to the financial statements for the year has been submitted to the Board of Directors, as required under the Listing Regulations.

Shareholders

Appointment of Directors

Mr. Sanjiv Goenka, Mr. Shashwat Goenka, Mr. Utsav Parekh, Mr. Pratip Chaudhuri, Ms. Rekha Sethi, Mr. Debanjan Mandal, Mr. Devendra Chawla and Mr. Rahul Nayak, appointed by the Board as Additional Directors, shall hold office up to the date of the Annual General Meeting, where they will be eligible for re-appointment.

Mr. Utsav Parekh, Mr. Pratip Chaudhuri, Ms. Rekha Sethi and Mr. Debanjan Mandal are Independent Directors.

The details of directors, mentioned above, are given below :

Name of the Director	Mr. Sanjiv Goenka (DIN 00074796)
Age	58
Brief Resume	<p>Mr. Sanjiv Goenka is the Chairman of RP-Sanjiv Goenka Group having an asset base of over ₹ 43,500 crore. The Group has over 45,000 employees and over a hundred thousand shareholders with annual revenues of more than ₹ 25,500 crore.</p> <p>The Group's businesses spanning across six sectors – Power & Natural Resources, Carbon Black, Retail & Consumer, Media, Entertainment & Sports and IT & Education, include flagship companies such as CESC Limited, Firstsource Solutions Limited, Phillips Carbon Black Limited, Spencer's Retail Limited and Saregama India Limited.</p> <p>Born in 1961, Mr. Goenka, was the youngest-ever President of the Confederation of Indian Industry (CII). He is the Chairman of the Board of Governors of the Indian Institute of Technology, Kharagpur (IIT-KGP) and also Chairs the International Management Institute, Delhi, Bhubaneswar and Kolkata. He is a Trustee in India Brand Equity Foundation (IBEF), set up by the Ministry of Commerce and Industry, Government of India w.e.f. September 2018.</p> <p>A former President of All India Management Association (AIMA), Mr. Goenka was conferred Indian Business Leader of the Year at Belfast Global India Business Meet in 2013, Banga Bibhushan Award for his contribution to the state of West Bengal, and Distinguished Fellowship Award of Institute of Directors India at their 16th London Global Convention, 2016.</p> <p>Mr. Goenka was ranked No. 18 in India Today's list of 50 Most powerful people in India in 2018.</p>
Other Directorship	Mr. Goenka is the Chairman of the Board of Directors of CESC Limited (member of Audit Committee, Nomination & Remuneration Committee and Chairman of Stakeholders Relationship Committee and CSR Committee), Phillips Carbon Black Limited, Saregama India Limited (Chairman of Stakeholders Relationship Committee), Firstsource Solutions Limited, CESC Ventures Limited (member of Audit and Nomination & Remuneration Committee and Chairman of Stakeholders Relationship Committee) Spencer International Hotels Limited, Spencer and Company Limited and Haldia Energy Limited.
Shareholding	80,876 Equity shares of ₹ 5/- each

Name of Director	Ms. Shashwat Goenka (DIN 0348612)
Age	28
Brief Resume	Mr. Goenka is the immediate past President of Indian Chamber of Commerce and current Chairman of CII National Committee on Retail and FICCI Young Leaders Forum. He is also Executive Committee Member – Federation of Indian Chambers of Commerce & Industry, Member – FICCI Retail & Internal Trade Committee and Director - Retailers Association of India (RAI). He graduated from The Wharton School of Business, University of Pennsylvania, Philadelphia, with a Bachelor of Science in economics, specializing in finance, marketing and management. Currently, Mr. Goenka is the Head of RP-Sanjiv Goenka Group's Retail & FMCG sector.
Other Directorship	Mr. Goenka is also a Director on the Boards of Spencer International Hotels Ltd, Phillips Carbon Black Limited (PCBL) (also member of its Corporate Social Responsibility Committee) CESC Ventures Limited (also member of its Stakeholders Relationship Committee and Chairman of Corporate Social Responsibility Committee) and Firstsource Solutions Limited (FSL) (also Chairman of its Corporate Social Responsibility Committee).
Share holding	66,844 Equity shares of ₹ 5/- each

Name of Director	Mr. Utsav Parekh (DIN: 00027642)
Age	62
Brief Resume	Mr. Utsav Parekh, an Honours graduate, has an experience of over 38 years in the field of investment banking. He is the promoter and chairman of SMIFS Capital Market Limited. He is a director in several companies such as Mcleod Russel (India) Limited, Xpro India Limited, Texmaco Infrastructure & Holdings Limited. He is also a member on the board of the Indian Chamber of Commerce. He is an Honorary Counsel of the Czech Republic in Kolkata. He is one of the co-founders of the football club, ATK which is part of the Indian Super
Other Directorship	<ul style="list-style-type: none"> • Xpro India Limited • Texmaco Rail & Engineering Limited • Mcleod Russel India Limited • Texmaco Infrastructure & Holdings Limited • SMIFS Capital Markets Limited • Bengal Aerotropolis Projects Limited • Lend Lease Company (India) Limited • SMIFS Capital Service Limited
Shareholding	Nil

Name of Director	Mr. Pratip Chaudhuri (DIN: 00915201)
Age	65
Brief Resume	Mr. Pratip Chaudhuri, 65 years of age, is a former Chairman of State Bank of India (SBI), having held several important posts in the Bank during his long tenure of service including the post of Deputy Managing Director of SBI's International Division. Mr. Chaudhuri has vast experience in the banking sector. He is the director of Visa Steel Limited, Quess Corp Limited, Spencer's Retail Limited, Alchemist Asset Reconstruction Company Limited, Cosmo Films Limited, IIFCO
Other Directorship	<ul style="list-style-type: none"> • CESC Limited • Visa Steel Limited • Quess Corp Limited • Cosmo Films Limited • IFFCO Kisan Sanchar Limited • Jagaran Microfin Private Limited • Dynamic Drilling & Services Private Limited • Sundaram Asset Management Company Limited • CESC Infrastructure Limited • Alchemist Asset Reconstruction Company Limited
Shareholding	Nil

Name of Director	Ms. Rekha Sethi (DIN: 06809515)
Age	55
Brief Resume	<p>Ms. Rekha Sethi ("Ms. Sethi") is Director General of the All India Management Association (AIMA), the apex body for management in India working closely with industry, governmental bodies, academia and students to further the cause of the management profession in India. Ms. Sethi took charge of AIMA in June 2008. It is now the preferred platform for discussions and debate on management related diverse issues. AIMA attracts India's top industry leaders and policy makers on its platform.</p> <p>Ms. Sethi is also on the Boards of Sun Pharma Laboratories Ltd and Sun Pharmaceutical Industries, the world's fifth-largest specialty generic pharmaceuticals company. Ms. Sethi is an Independent Director on the Board of Hero Steels Limited, which manufactures steel sheets and other products. She is part of the Executive Council of the National Board of Accreditation, which is mandated to facilitate quality in technical education syllabi in India and a member of the Advisory Board of the Switzerland based St. Gallen Foundation think tank, Leaders of Tomorrow – Knowledge Pool. Prior to joining AIMA, Ms. Sethi worked with India's premier industry organisation, the Confederation of Indian Industry for more than 17 years. There she led the initiative to create high-profile international events to promote India's economic interests.</p> <p>A literature graduate with a post-graduate diploma in Advertising and Marketing, Ms. Sethi started her career at the Centre for Development of Telematics (C-Dot) in 1985 and worked at UDI, India's first yellow pages publisher, before joining the Confederation of Indian Industry.</p>
Other Directorship	<ul style="list-style-type: none"> • Century Plyboards (India) Limited • Industrial and Prudential Investment Co. Limited • Apeejay Tea Limited • Anmol Industries Limited Edward Food Research and Analysis Centre Limited • Apeejay Surendra Park Hotels Limited
Shareholding	Nil

Name of Director	Mr. Debanjan Mandal (DIN: 00469622)
Age	47
Brief Resume	Mr. Debanjan Mandal is a Partner in Fox & Mandal, a premier multi-disciplinary law firm in Kolkata. He holds a bachelor's degree in law from the University of Burdwan and was enrolled as an advocate with the Bar Council of West Bengal in 1999. He has 20 years of experience in the field of corporate and commercial laws, banking and finance, real estate, infrastructure, succession and trusts, dispute resolution, mergers and acquisitions, private equity and venture capital. He is a member of the Incorporated Law Society and the High Court Club, High Court at Calcutta, Supreme Court Bar Association and the International Bar Association in the UK and is also a consultant at the Asian Development Bank. He is a member of the Executive Committee of Indian Chamber of Commerce and Chairman of ICC National Expert Committee on Corporate and Legal Affairs. He is a Director in several other companies. He is a prominent speaker and attends various meetings and seminars in India and abroad.

Other Directorship	<ul style="list-style-type: none"> • Century Plyboards (India) Limited • Industrial and Prudential Investment Co. Limited • Apeejay Tea Limited • Anmol Industries Limited Edward Food Research and Analysis Centre Limited • Apeejay Surendra Park Hotels Limited
Shareholding	Nil

Name of Director	Mr. Devendra Chawla (DIN: 03586196)
Age	47
Brief Resume	Mr. Devendra Chawla, aged 47 years, has a rich experience of 24 years with companies like Asian Paints, Coca Cola where he was director area operations and then director customer service. He was also CEO of Future Consumer Ltd. and group president for Food/FMCG Business for future group. In his last role he was Chief Operating Officer/ Executive Vice President and also a member of Board of Walmart India. He holds B.E. and MBA degree and also an alumnus of Harvard Business School.
Other Directorship	Nil
Shareholding	Nil

Name of Director	Mr. Rahul Nayak (DIN: 06491536)
Age	42
Brief Resume	Mr. Rahul Nayak, aged 42 years, has a rich experience of around 20 years in the field of retail (merchandising and buying, supply chain, store design and layouts, stores operations) with Tata Retail and Tesco. His previous assignment was with Star Bazaar (Tata Retail) as Director-Operations. He holds a PGDBA in Marketing.
Other Directorship	Nil
Shareholding	Nil

Communication to shareholders

The Company puts forth key information about the Company and its performance, including quarterly results, official news releases and presentations to Analysts, on its website www.spencersretail.com regularly for the benefit of its shareholders and the public at large.

During the year, the Company's quarterly results have been published in English and Bengali newspapers i.e. Economic

Times / Business Standards / Financial Express and Aajkaal respectively and the annual results have been published in Business Standard, Business Line, Mint, Financial Express and Aajkal and also posted on its website. Hence, they are not separately sent to the Shareholders. However, the Company furnishes the quarterly results on receipt of a request from any Shareholder.

Commodity price risk or foreign exchange risk and hedging activities:

Commodities represents one of our major components of our business and thus commodity price risk is considered as one of the important market risks for the Company. The commodities are priced using pricing benchmarks and commodity derivatives are priced using exchange-traded pricing benchmarks. The company manages all procurement through outright purchase model. As at and during the year ended 31st March 2019, we did not have any commodity hedging activities.

Details of exposure in various commodities are as below:

Commodity Name	Exposure in ₹ (Lakh) towards the Particulars commodity	Exposure in Quantity (KGs in Lakh) terms towards the particular commodity	% of such exposure hedged through commodity derivatives				Total	
			Domestic market		International market			
			OTC	Exchange	OTC	Exchange		
EDIBLE OIL	8,851	78	Nil	Nil	Nil	Nil	Nil	
CEREALS	5,260	111	Nil	Nil	Nil	Nil	Nil	
DRY FRUIT	3,689	6	Nil	Nil	Nil	Nil	Nil	
PULSES	3,588	46	Nil	Nil	Nil	Nil	Nil	
MASALA & SPICE	3,309	9	Nil	Nil	Nil	Nil	Nil	
FLOUR	3,145	100	Nil	Nil	Nil	Nil	Nil	
Others	1,812	50	Nil	Nil	Nil	Nil	Nil	
(these are ball park numbers)								

General body meetings

The date, time and venue of the last annual general meeting is given below.

Financial year	Date	Time	Venue	Special resolutions passed
2017-18	29th October 2018	11.30 A.M.	CESC House, Chowringhee Square, Kolkata - 700001	Two

No special resolution passed at the above Annual General Meeting was required to be put through postal ballot. No resolution is proposed to be passed at the forthcoming Annual General Meeting through postal ballot.

Compliance**Mandatory requirements**

The Company is fully compliant with the applicable mandatory requirements of Listing Regulations.

Non-mandatory /discretionary requirements

The details of compliance of the non-mandatory/discretionary requirements are listed below:

a) Shareholder Rights

Details of the shareholders' rights in this regard are given in the section 'Communication to Shareholders'.

b) Audit Qualifications

During the current financial year, there are no audit qualifications in the financial statements of the Company. The Company continues to adopt appropriate best practices in order to ensure unqualified financial statements.

Confirmation

The Company has obtained a Certificate from the Secretarial Auditor regarding compliance of conditions of corporate governance, as mandated in Regulation 27 of the Listing Regulations. The certificate is annexed to this report. The

Company has also obtained a certificate from secretarial auditor confirming that none of its Directors on Board has been debarred or disqualified from being appointed or continuing on the Board as Directors of any company by any statutory authority.

There were no instances of any recommendation by the Committees that was not accepted by the Board.

The Company has complied with the requirements prescribed under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Reg. 46 of the Listing Regulations, 2015.

To the best of its knowledge, the Company has complied with all requirements of the Regulatory Authorities. No penalties/strictures were imposed on the Company by stock exchanges or SEBI or any Statutory Authority on any matter related to capital markets from the date of listing.

On behalf of the Board of Directors

Sanjiv Goenka

Chairman

(DIN 00074796)

Kolkata

17th May 2019

Corporate Governance Compliance Certificate

To the members of Spencer's Retail Limited

1. We have examined the compliance of conditions of corporate governance by Spencer's Retail Limited for the year ended 31st March 2019 as stipulated in Regulation 17 to 27 and 34(3) read with Schedule – V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. The compliance of conditions of corporate governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Corporate Governance Certificate issued by the Institute of Company Secretaries of India and was Limited to procedures and implementation thereof, adopted by the company for ensuring the

compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial Statements of the Company.

3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations to the extent applicable to it.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

S. M. GUPTA
Partner

Place : Kolkata
Date : 17th May 2019

S. M. Gupta & Co
Company Secretaries
Firm Registration No – P1993WB046600
Membership No : FCS-896, C.P. No : 2053

(Annexure 'C to the Directors' Report)

Additional shareholder information

Annual General Meeting

Date : Friday, 19th July 2019

Time : 10.30 A.M.

Venue : Rangmanch, Raajkutir Swabhumi,
89C, Moulana Abul Kalam Azad Sarani,
Kolkata, West Bengal-700054

Financial calendar: 1st April to 31st March

For the year ended 31st March 2019, results were announced on:

First and second quarter# : Not applicable

Third quarter : 11th February 2019

Fourth quarter and annual : 17th May 2019

#listed on 25th January 2019

For the year ending 31st March 2020, results will be announced latest by:

First quarter : 14th August 2019

Second quarter : 14th November 2019

Third quarter : 14th February 2020

Fourth quarter and annual : 30th May 2020

Listing

Equity shares of Spencer's Retail Limited are listed on the National Stock Exchange of India Limited, Mumbai (NSE), the BSE Limited, Mumbai (BSE) and the Calcutta Stock Exchange Limited, Kolkata (CSE).

Dividend

During the year ended 31st March 2019, the Company has not declared any dividend to its shareholders.

Stock codes

NSE	Bandra Kurla Complex, Bandra (E), Mumbai – 400051	SPENCERS
BSE	Phiroze Jeejeeboy Tower, Dalal Street, Mumbai - 400001	542337
CSE	7, Lyons Range, Kolkata - 700001	-
International Securities Identification Number (ISIN)	-	INE020801028

All listing and custodial fees to the stock exchanges and depositories have been duly paid.

Stock data and performance

Table 1 below gives the monthly high and low prices of Spencer's equity shares at the BSE limited (BSE) and the National Stock Exchange (NSE) during the financial year 2018-19. This is to be noted that the Company got its securities listed on 25th January 2019.

Table 1: High and low prices at the NSE and BSE (₹) since the company is listed

Month	National Stock Exchange (NSE)		Bombay Stock Exchange (BSE)	
	High	Low	High	Low
January 2019	225.00	174.20	230.00	173.40
February 2019	165.50	121.50	164.75	120.90
March 2019	173.70	142.10	173.45	142.55

Note: There is no trading of the Company's shares at the CSE during the year

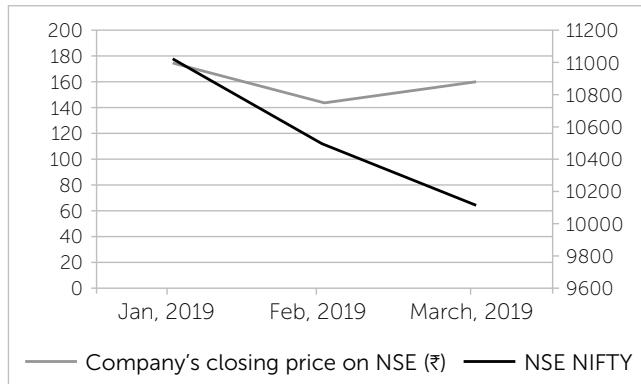
Table 2 provides the closing price of Spencer's equity shares on the NSE with the leading market and sector indices on the last trading day for each month during the financial year 2018-19:

Table 2: Performance in comparison to NSE, BSE Sensex and BSE 500 since the company is listed:

As on close of last trading day for each month	Spencer's Closing Price on NSE (₹)	Spencer's Closing Price on BSE (₹)	NSE Nifty	BSE Sensex	BSE 500 Index
January 2019	174.20	173.40	10,830.95	36,256.69	14,285.11
February 2019	142.50	142.75	10,792.5	35,867.44	14,196.8
March 2019	160.00	160.15	11,623.9	38,672.91	15,304.57

Chart A: Plots the movement of Spencer's equity shares adjusted closing prices as compared to the NSE Nifty.

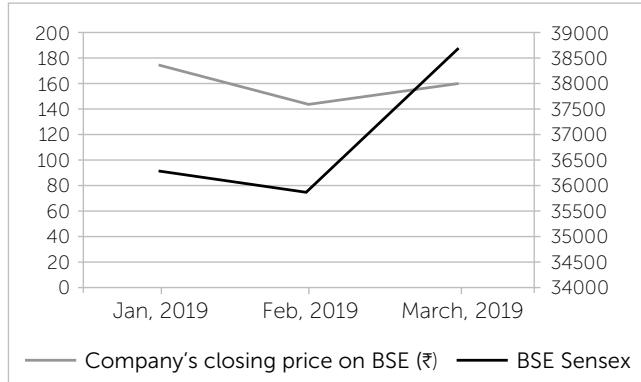
Chart A: Spencer's Shares Performance versus NSE Nifty:



Note: Share price of Spencer's and NSE Nifty

Chart B: Plots the movement of Spencer's equity shares adjusted closing prices as compared to the BSE Sensex.

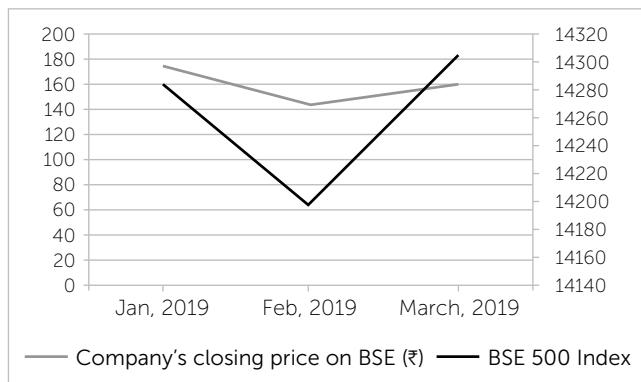
Chart B: Chart A: Spencer's Shares Performance versus BSE Sensex:



Note: Share price of Spencer retail and BSE NIFTY

Chart C: Plots the movement of Spencer's equity shares adjusted closing prices as compared to the BSE 500.

Chart B: Chart A: Spencer's Shares Performance versus BSE 500:



Share transfer arrangement, investor grievances and shareholder redressal

Spencer's processes share transfers through its registrar and share transfer agent, whose details are given below:

Link Intime India Private Limited

Address -C 101, 1st Floor, 247 Park,
L B S Marg, Vikhroli West,
Mumbai – 400083
Tel: +91 22 49186000
Email Id - rnt.helpdesk@linkintime.co.in
Contact Person: Mr Mahesh Masurkar

Investors' correspondence may be sent to the Company's registrar and share transfer agent at the above address or at the Company's registered address given below:

Secretarial Department
Spencer's Retail Limited
Duncan House
31, Netaji Subhas Road,
Kolkata – 700 001
Telephone: 033-6625-7600/7700
E-mail: spencers.secretarial@rp-sg.in

Mr. Rama Kant, the Company Secretary, is the Compliance Officer entrusted with overseeing the redressal of shareholder grievances. In compliance with the SEBI circular dated 27th December 2002, which mandated that share registry to be maintained in both physical and electronic modes at a single point, Spencer's has established direct connections with the two depositories - National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) - through its registrar and share transfer agent.

Shares received in physical form are processed and the share certificates are returned within 10 to 15 days from the date of receipt, subject to the documents being complete and valid in all respects. The Company's equity shares fall under compulsory dematerialised trading. Shares held in the dematerialised form are electronically traded in the depository. The registrar and share transfer agent of the Company periodically receives data regarding beneficiary holdings, so as to update their records and send corporate communications, among others. Equity shares of the company are available for dematerialisation. Address of both the depositories are given below:

National Securities Depository Limited (NSDL)
Trade World, A wing,
4th Floor, Kamala Mills Compound,
Lower Parel,
Mumbai-400013

Central Depository Services (India) Limited (CDSL)
 Marathon Futurex, A wing,
 25th Floor, NM Joshi Marg,
 Lower Parel,
 Mumbai-400013

As on 31st March 2019, dematerialised shares accounted for 98.83% of the Company's total equity. The Company has not issued any GDRs/ADRs/Warrants and there are no convertible instruments outstanding as on 31st March 2019. There is no subsisting court orders or legal proceedings against Spencer's pertaining to any share transfer-related matters. Table 3 reports the details of the number and nature of complaints for the year 2018-19.

Table 3: Complaints from shareholders during 2018-19 (since the company is listed)

Particulars	Complaints				
	Non-receipt of certificates	Non-receipt of dividend	Non-receipt of annual reports/non-receipt of demat credit	Others	Total
Received during the year	0	0	1	7	8
Resolved during the year	0	0	1	7	8
Pending as on 31st March 2019	Nil	Nil	Nil	Nil	Nil

Shareholding pattern

Tables 4 and 5 mentioned hereunder, report the pattern of shareholding by ownership and shareholding class, respectively.

Table 4: Pattern of shareholding by ownership as on 31st March 2019

Category	As on 31st March 2019	
	Total shares	Percentage
1. Promoters/Promoter's group	4,24,58,320	53.38%
2. Institutional investors		
a. Mutual funds	71,16,546	8.95%
b. Banks, financial institutions and insurance companies	27,40,537	3.45%
c. FII's	66,53,654	8.37%
Total	16,510,737	20.76%

Category	As on 31st March 2019	
	Total shares	Percentage
3. Others		
a. Bodies corporate	60,91,549	7.66%
b. Indian public	96,60,714	12.15%
c. NRIs	904,776	1.14%
d. Others	39,08,130	4.91%
Total	20,565,169	25.86%
Grand total	79,534,226	100.00%

Table 5: Pattern of shareholding by share class as on 31st March 2019

Shareholding class	Number of shareholders	% of Total	Number of shares held	Shareholding %
1 to 500	53,532	94.18	29,80,157	3.75
501 to 1,000	1,515	2.67	10,81,813	1.36
1,001 to 2,000	709	1.25	10,15,159	1.28
2,001 to 3,000	318	0.56	810,175	1.02
3,001 to 4,000	130	0.23	450,405	0.57
4,001 to 5,000	116	0.20	540,552	0.68
5,001 to 10,000	223	0.39	15,77,429	1.98
10,001 and above	297	0.52	71,078,536	89.37
Total	56,840	100.00	79,534,226	100.00

Store locations

Till 31st March 2019, the Company is operating 156 stores. The locations of these stores can be checked at the website of the Company: www.spencersretail.com

Unclaimed Shares

In terms of the Listing Regulations, 2015, the Company opened separate Unclaim Suspense Account wherein 78,066 equity shares credited. These shares may be claimed back by the concerned shareholders on compliance of necessary formalities.

It may also be noted that all the corporate benefits accruing to these shares shall also be credited to the said "Unclaimed Suspense Account" and the voting rights of these shares shall remain frozen until the rightful owner claims the shares.

The status of equity shares lying in Spencer's Unclaimed Suspense Accounts is given below:

Sl. No.	Particulars	No. of Share -holders	No. of equity shares held
1	Aggregate number of shareholders and the outstanding shares transferred in the suspense account during the year	132	78,066
2	No. of shareholders who approached the company for transfer of shares from the suspense account	-	-
3	No. of shareholders to whom shares were transferred from the suspense account	-	-
4	Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year	132	78,066

For and on behalf of the Board of Directors

Kolkata
17th May 2019

Sanjiv Goenka
Chairman
(DIN 00074796)

Declaration

As required under the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is confirmed that all Directors and senior managerial officers have affirmed compliance to the Code of Business Conduct and Ethics during the year 2018-19.

Kolkata
17th May 2019

Devendra Chawla
Managing Director
(DIN: 03586196)

(Annexure 'D' to the Directors' Report)

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as of the financial year ended on 31st March 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i) CIN	L74999WB2017PLC219355
ii) Registration Date	8th February 2017
iii) Name of the Company	Spencer's Retail Limited
iv) Category / Sub-Category of the Company	Public Company Limited by shares
v) Address of the Registered office and contact details	Duncan House, 31, Netaji Subhas Road, Kolkata - 700001 Tel: +91 33 66257600/7700 E-mail:spencers.secretarial@rp-sg.in Website: www.spencersretail.com
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent	Link Intime India Private Limited, 59C, Chowinghee Road, 3rd Floor, Kolkata 700020 Tel: + 91 33 22890540 Fax: +91 33 22890539

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are given below: -

Sr. No	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the company
1	Retail Business	47110	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name of the Company	Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Omnipresent Retail India Private Limited	A-27/A, 1st Floor, Hauz Khas, New Delhi-110 016	U51909DL2011PTC218350	Subsidiary	100.00	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Sr No	Category of Shareholders	Shareholding at the beginning of the Year - 2018*				Shareholding at the end of the year - 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Shareholding of Promoter and Promoter Group										
[1] Indian										
(a) Individuals / Hindu Undivided Family	-	-	-	-	-	1,70,530	-	1,70,530	0.21	0.21
(b) Central Government / State Government(s)	-	-	-	-	-	-	-	-	-	-
(c) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-	-
(d) Any Other (Specify)	-	-	-	-	-	-	-	-	-	-
Bodies Corporate	5,00,000	-	5,00,000	100.00	4,22,87,790	-	4,22,87,790	53.17	(46.83)	
Sub Total (A)(1)	5,00,000	-	5,00,000	100.00	4,24,58,320	-	4,24,58,320	53.38	(46.62)	
[2] Foreign										
(a) Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-	-
(b) Government	-	-	-	-	-	-	-	-	-	-
(c) Institutions	-	-	-	-	-	-	-	-	-	-
(d) Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-
(e) Any Other (Specify)	-	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	5,00,000	-	5,00,000	100.00	4,24,58,320	-	4,24,58,320	53.38	(46.62)	
(B) Public Shareholding										
[1] Institutions										
(a) Mutual Funds / UTI	-	-	-	-	-	71,14,905	1,641	71,16,546	8.95	0.00
(b) Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
(c) Alternate Investment Funds	-	-	-	-	-	5,41,308	-	5,41,308	0.68	0.68
(d) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-
(e) Foreign Portfolio Investor	-	-	-	-	-	66,27,042	3,720	66,30,762	8.34	8.34
(f) Financial Institutions / Banks	-	-	-	-	-	66,401	4,685	71,086	0.09	0.09
(g) Insurance Companies	-	-	-	-	-	25,78,038	3,390	25,81,428	3.25	3.25
(h) Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-
(i) Any Other (Specify)	-	-	-	-	-	-	-	-	-	-
(j) Foreign Bank	-	-	-	-	-	568	9,030	9,598	0.01	0.01
Sub Total (B)(1)	-	-	-	-	-	1,69,28,262	22,466	1,69,50,728	21.31	12.36

Sr No	Category of Shareholders	Shareholding at the beginning of the Year - 2018*				Shareholding at the end of the year - 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2]	Central Government/ State Government(s)/ President of India									
	Central Government / State Government(s)	-	-	-	-	5,010	1,291	6,301	0.01	0.01
	Sub Total (B)(2)	-	-	-	-	5,010	1,291.00	6,301.00	0.01	0.01
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹1 lakh.	-	-	-	-	65,11,708	4,50,123	69,61,831	8.75	2.23
(ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakh	-	-	-	-	27,28,381	-	27,28,381	3.43	2.75
(b)	NBFCs registered with RBI	-	-	-	-	17,17,106	-	17,17,106	2.16	0.02
(d)	Overseas Depositories(holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)	-	-	-	-					
	IEPF	-	-	-	-	99,992	-	99,992	0.13	0.13
	Trusts	-	-	-	-	56,127	-	56,127	0.07	0.07
	Foreign Nationals	-	-	-	-	10,127	16,485	26,612	0.03	0.03
	Hindu Undivided Family	-	-	-	-	9,07,232	-	9,07,232	1.14	1.14
	Foreign Companies	-	-	-	-	-	58,220	58,220	0.07	0.07
	Non Resident Indians (Non Repat)	-	-	-	-	1,39,362	-	1,39,362	0.18	0.18
	Non Resident Indians (Repat)	-	-	-	-	5,02,514	2,62,894	7,65,408	0.96	0.96
	Unclaimed Shares	-	-	-	-	78,066	-	78,066	0.10	0.10
	Clearing Member	-	-	-	-	5,21,026	-	5,21,026	0.66	0.66
	Bodies Corporate	-	-	-	-	59,40,626	1,18,888	60,59,514	7.62	7.62
	Sub Total (B)(3)	-	-	-	-	1,92,12,267	9,06,610	2,01,18,877	25.30	25.30
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	-	-	-	-	3,61,45,539	9,30,367	3,70,75,906	46.62	46.62
	Total (A)+(B)	5,00,000	-	5,00,000	100.00	7,86,03,859	9,30,367	7,95,34,226	100.00	100.00
(C)	Shares held by Other Custodian	-	-	-	4,759	-	4,759	0.01	0.01	
	Total (A)+(B)+(C)	5,00,000	-	5,00,000	100	7,86,03,859	9,30,367	7,95,34,226	100.00	100.00

ii) Shareholding of Promoters

Sr No	Shareholder's Name	Shareholding at the beginning of the Year - 2018			No of shares held at the end of the year - 2019			% change in shareholding during the year
		No. of shares held	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of shares held	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	CESC Limited	5,00,000	100.00	-	-	-	-	-100
2	Sanjiv Goenka	-	-	-	80,876	0.10	-	0.10
3	Shashwat Goenka	-	-	-	66,844	0.08	-	0.08
4	Preeti Goenka	-	-	-	15,133	0.02	-	0.02
5	Sanjiv Goenka (HUF)	-	-	-	7,377	0.01	-	0.01
6	Avarna Jain	-	-	-	300	0.00	-	0.00
7	Rainbow Investments Limited	-	-	-	3,80,32,979	47.82	-	47.82
8	Stel Holdings Limited	-	-	-	14,96,082	1.88	-	1.88
9	Phillips Carbon Black Limited	-	-	-	10,11,718	1.27	-	1.27
10	Saregama India Limited	-	-	-	7,55,992	0.95	-	0.95
11	Integrated Coal Mining Limited	-	-	-	6,45,218	0.81	-	0.81
12	Kolkata Metro Networks Limited	-	-	-	1,71,000	0.22	-	0.22
13	Castor Investments Limited	-	-	-	1,50,000	0.19	-	0.19
14	Dotex Merchandise Private Limited	-	-	-	24,801	0.03	-	0.03
Total		5,00,000	100.00	-	4,23,08,320	53.38	-	

iii) Change in Promoters shareholding

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year- 2018*		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No.of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
1	CESC LIMITED	5,00,000	100.00				
	Reduction pursuant to the Scheme AT THE END OF THE YEAR			14 Nov 2018	5,00,000		
2	RAINBOW INVESTMENTS LIMITED	-	-				
	Allotment Pursuant to the Scheme			14 Nov 2018	3,52,77,979		
	Transfer			22 Feb 2019	13,55,000		
	Transfer			08 Mar 2019	10,00,000		
	Transfer			22 Mar 2019	4,00,000		
	AT THE END OF THE YEAR					3,80,32,979	47.82
3	STEL HOLDINGS LIMITED	-	-				
	Allotment Pursuant to the Scheme			14 Nov 2018	14,96,082		
	AT THE END OF THE YEAR					14,96,082	1.88

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year – 2018*		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No.of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
4	PHILLIPS CARBON BLACK LIMITED Allotment Pursuant to the Scheme AT THE END OF THE YEAR	-	-	14 Nov 2018	10,11,718	10,11,718	1.27
5	SAREGAMA INDIA LIMITED Allotment Pursuant to the Scheme AT THE END OF THE YEAR	-	-	14 Nov 2018	7,55,992	7,55,992	0.95
6	INTEGRATED COAL MINING LIMITED Allotment Pursuant to the Scheme AT THE END OF THE YEAR	-	-	14 Nov 2018	6,45,218	6,45,218	0.81
7	KOLKATA METRO NETWORKS LIMITED Allotment Pursuant to the Scheme AT THE END OF THE YEAR	-	-	14 Nov 2018	1,71,000	1,71,000	0.22
8	CASTOR INVESTMENTS LIMITED Allotment Pursuant to the Scheme AT THE END OF THE YEAR	-	-	14 Nov 2018	1,50,000	1,50,000	0.19
9	SANJIV GOENKA Allotment Pursuant to the Scheme AT THE END OF THE YEAR	-	-	14 Nov 2018	80,876	80,876	0.10
10	SHASHWAT GOENKA Allotment Pursuant to the Scheme AT THE END OF THE YEAR	-	-	14 Nov 2018	66,844	66,844	0.08
11	DOTEX MERCHANDISE PRIVATE LIMITED Allotment Pursuant to the Scheme AT THE END OF THE YEAR	-	-	14 Nov 2018	24,801	24,801	0.03
12	PREETI GOENKA Allotment Pursuant to the Scheme AT THE END OF THE YEAR	-	-	14 Nov 2018	15,133	15,133	0.02
13	SANJIV GOENKA (HUF) Allotment Pursuant to the Scheme AT THE END OF THE YEAR	-	-	14 Nov 2018	7,377	7,377	0.01
14	AVARNA JAIN Allotment Pursuant to the Scheme AT THE END OF THE YEAR	-	-	14 Nov 2018	300	300	0.00

Note:

- In terms of the Composite Scheme of Arrangement amongst the Company, CESC Ltd. and others, as approved by the Hon'ble National Company Law Tribunal vide its Order dated 28th March 2018, the company allotted 7,95,34,226 new equity share of ₹ 5/- each amounting to ₹ 39.76 crore on 14th November 2018, pursuant to which, the paid-up share capital of ₹ 5.00 lakh which existed prior to the Appointed date in terms of scheme, being 1st October 2017, got cancelled and reduced.
- The details of holding has been clubbed based on PAN.
- % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.
- The Equity shares have been listed by BSE and NSE w.e.f 25th January 2019 and CSE on 30th January 2019 as per their respective listing letters.

iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year- 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No.of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
1	CANARA ROBECO MUTUAL FUND A/C CANARA ROBECO EMERGING EQUITIES	0	-			-	-
	Transfer			23 Nov 2018	6,29,070	6,29,070	0.79
	Transfer			22 Feb 2019	2,00,000	8,29,070	1.04
	Transfer			01 Mar 2019	5,54,361	13,83,431	1.74
	Transfer			08 Mar 2019	2,76,000	16,59,431	2.09
	Transfer			22 Mar 2019	5,55,000	22,14,431	2.78
	AT THE END OF THE YEAR					22,14,431	2.78
2	BNK CAPITAL MARKETS LIMITED	0	-			-	-
	Transfer			23 Nov 2018	17,41,508	17,41,508	2.19
	AT THE END OF THE YEAR					17,41,508	2.19
3	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA PRIMA FUND	0	-			-	-
	Transfer			23 Nov 2018	14,35,856	14,35,856	1.81
	AT THE END OF THE YEAR					14,35,856	1.81
4	LIFE INSURANCE CORPORATION OF INDIA	0	-			-	-
	Transfer			23 Nov 2018	13,26,769	13,26,769	1.67
	AT THE END OF THE YEAR					13,26,769	1.67
5	DSP EQUITY OPPORTUNITIES FUND	0	-			-	-
	Transfer			23 Nov 2018	11,10,934	11,10,934	1.40
	AT THE END OF THE YEAR					11,10,934	1.40
6	SI INVESTMENTS AND BROKING PRIVATE LIMITED	0	-			-	-
	Transfer			15 Feb 2019	2,00,000	2,00,000	0.25
	Transfer			22 Feb 2019	(46,253)	1,53,747	0.19
	Transfer			22 Mar 2019	7,95,120	9,48,867	1.19
	Transfer			29 Mar 2019	1,133	9,50,000	1.19
	AT THE END OF THE YEAR					9,50,000	1.19
7	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE GROWTH FUND	0	-			-	-
	Transfer			23 Nov 2018	7,56,210	7,56,210	0.95
	Transfer			25 Jan 2019	1,80,000	9,36,210	1.18
	Transfer			22 Feb 2019	(41,997)	8,94,213	1.12
	AT THE END OF THE YEAR					8,94,213	1.12
8	ROCHDALE EMERGING MARKETS (MAURITIUS)	0	-			-	-
	Transfer			23 Nov 2018	8,11,612	8,11,612	1.02
	AT THE END OF THE YEAR					8,11,612	1.02

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year- 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No.of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
9	DHUNSERI VENTURES LIMITED	0	-			-	-
	Transfer			01 Mar 2019	34,000	34,000	0.04
	Transfer			08 Mar 2019	7,45,675	7,79,675	0.98
	AT THE END OF THE YEAR					7,79,675	0.98
10	MFS INTERNATIONAL NEW DISCOVERY FUND	0	-			-	-
	Transfer			23 Nov 2018	7,23,473	7,23,473	0.91
	AT THE END OF THE YEAR					7,23,473	0.91

v) Shareholding of Directors and Key Managerial Personnel

Sr No	Directors and KMPs	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
A) Name of the Director					
1.	Mr. Sanjiv Goenka	-	-	80,876	0.10
2.	Mr. Shashwat Goenka	-	-	66,844	0.08
B) Key managerial personnel (KMP's)					
	At the End of the year	-	-	1,47,720	0.18

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment :

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl No	Particulars of Remuneration	Total Amount (₹ in crore)	
		Rahul Nayak (Whole-time Director) (14th November 2018 to 31st March 2019)	Devendra Chawla (CEO & Managing Director) (11th February to 31st March 2019)
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.47	0.38
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat equity	-	-
4.	Commission	-	-
	- as % of profit	-	-
	- others.	-	-
5.	Others – Contribution to Provident and Superannuation Fund	0.04	0.04
6.	Others	0.04	-
Total		0.55	0.42
Ceiling as per the Act			

B. Remuneration to other directors:

(₹ in crore)

Sl No	Particulars of Remuneration	Name of the Director				Total Amount
		Utsav Parekh	Pratip Chaudhuri	Rekh Sethi	Debanjan Mandal]	
1	Independent Directors	0.025	0.025	-	-	0.05
	(a) Fee for attending board and committee meetings	-	-	-	-	-
	(b) Commission	-	-	-	-	-
	(c) Others	-	-	-	-	-
Total(1)		0.025	0.025	-	-	0.05
2	Other Non Executive Directors	Sanjiv Goenka	Shashwat Goenka			
	(a) Fee for attending board and committee meetings	0.015	0.015			0.03
	(b) Commission	-	-			-
	(c) Others	-	-			-
Total(2)		0.015	0.015			0.03
Total(B)=(1+2)						0.08
Total Managerial Remuneration						1.05
Overall Ceiling as per the Act						-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in crore)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Rama Kant (Company Secretary) (11th February to 31st March 2019)	Arvind Kumar Vats (CFO) (14th November 2018 to 31st March 2019)
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.03	0.54
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit	-	-
	- others	-	-
5.	Others – Contribution to Provident Fund and Superannuation Fund	0.01	0.06
6.	Others	-	0.03
Total		0.04	0.63

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment			NONE		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NONE		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NONE		
Compounding					

On behalf of the Board of Directors

Kolkata
17th May 2019

Sanjiv Goenka
Chairman
(DIN 00074796)

(Annexure 'E' to the Directors' Report)

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED – 31st March 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Spencer's Retail Limited

Regd. Office- Duncan House,
31, Netaji Subhas Road,

Kolkata-700 001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SPENCER'S RETAIL LIMITED** (CIN : L74999WB2017PLC219355) (hereinafter called the Company). Secretarial Audit was conducted in accordance with the Guidance Note issued by the Institute of Company Secretaries of India (A statutory body constituted under the Company Secretaries Act, 1980) and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

Our responsibility is to express an opinion on the secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and read with the Statutory Auditors' Report on Financial Statements and Certificate on compliance of conditions of Corporate Governance and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion and to the best of our information, knowledge and belief and according to the explanations given to us, the Company has, during the audit period covering the financial year ended on 31st March 2019 generally complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance

mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **SPENCER'S RETAIL LIMITED** "the Company" for the financial year ended on 31st March 2019 according to the applicable provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act; 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable to the Company:- As reported to us, there were no FDI and ODI transactions in the Company during the year under audit.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) to the extent applicable to the Company from the date of listing of the Equity shares of the Company with the Stock Exchanges:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009:-7,95,34,226 fully paid up equity shares of

₹ 5/- each of the Company were allotted at par in terms of the Composite Scheme of Arrangement on 14th November 2018 for an aggregate sum of ₹ 39,76,71,130/-Earlier credited to Equity share suspense and since transferred to equity share capital.

- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as replaced by the SEBI (Share Based Employee Benefits) Regulations, 2014; Not Applicable during the year.
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; No instances were reported during the year.
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - The Company has duly appointed a SEBI authorized Category I Registrar and Share Transfer Agent as required under Law.
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; No Delisting was done during the year.
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. No buy – back was done during the year

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by the Institute of Company Secretaries of India;
- ii. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from the date of listing of the Equity shares of the Company with the Stock Exchanges.

During the year under audit the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above including the following observations:

1. No amount was required to be spent by the Company on CSR during the year as the Company was incorporated only on 8th February 2017.

We further report that as far as we have been able to ascertain -

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes, if any, in

the composition of Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. Based on the compliance mechanism established by the Company and on the basis of the certificates placed before the Board and taken on record by the Directors at their meetings, we are of the opinion that the Company has adequate systems and processes commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and the Company has complied with the following laws specifically applicable to it, as reported to us:-

 - (i) Food Safety & Standards Act, 2016 and Regulations framed thereunder;
 - (ii) The Essential Commodities Act, 1955;
 - (iii) Legal Metrology Act, 2009 and Packaged Commodities Rules, 2011;
 - (iv) Consumer Protection Act, 1986;
 - (v) Insecticides Act, 1968;
 - (vi) Trade Marks Act, 1999;
 - (vii) The Payment of Bonus Act, 1965.
 - (viii) The Industrial Disputes Act, 1947.
 - (ix) The Employees Provident Fund and Miscellaneous Provisions Act, 1952.
 - (x) The Employees' State Insurance Act, 1948.

We further report that as informed to us, during the audit period and thereafter till date, the Company has had the following specific events / updates:

1. Pursuant to the Composite Scheme of Arrangement amongst CESC Ltd, the Company and other eight subsidiaries of CESC and their respective shareholders as sanctioned by the Kolkata Bench of the Hon'ble National Company Law Tribunal whereby the retail undertakings of CESC Ltd and erstwhile Spencer's Retail Ltd have been transferred to and vested into Spencer's Retail Ltd (formerly

known as RP-SG Retail Ltd) and in consideration thereof:

- a) 6 (Six) fully paid up equity share of ₹ 5/- each fully paid up of Spencer's Retail Limited (formerly known as RP-SG Retail Limited) have been allotted for every 10 (Ten) fully paid up equity shares of ₹ 10/- each held in CESC Limited by CESC shareholder on 31st October 2018, being the record date.
 - b) 5,00,000 fully paid up preference shares of ₹ 100/- each of Spencer's Retail Ltd. allotted to CESC Limited.
 2. The Equity shares have been listed by BSE and NSE w.e.f 25th January 2019 and CSE on 30th January 2019 as per their respective listing letters.
 3. The Preference shares are not listed.
 4. Consequent to the demerger of identified retail undertaking(s) of the erstwhile Spencer's Retail Ltd and CESC Ltd as a going concern into the Company, pursuant to the above Scheme effective from appointed date being 1st October 2017, the Equity shares of the Company which were outstanding stood cancelled from the aforesaid date and the equity shares issued pursuant to the above Scheme have been considered effective as on 1st October 2017.
 5. The Articles of Association of the Company were altered at the first Annual General Meeting of the Company (Then known as RP-SG Retail Ltd) held on 29th October 2018.
 6. The shareholders also approved the borrowing limit at the above Annual General Meeting for a sum of ₹ 1,000 crore remaining outstanding at any one time u/s 180(1)(c) of the Companies Act, 2013.
 7. The Registered Office of the Company was shifted from CESC House, Chowringhee Square, Kolkata – 700 001 to Duncan House, 31 Netaji Subhas Road, Kolkata – 700 001 w.e.f. 11th February 2019.

8. The name of the Company was changed from RP-SG Retail Ltd to Spencer's Retail Ltd during the year under audit.
 9. The authorized share capital of the Company comprises of 2,99,01,00,000 equity shares of ₹ 5/- each and 5,00,000 Preference shares of ₹ 100/- each.

It is stated that the compliance of all the applicable provisions of the Companies Act, 2013 and other laws is the responsibility of the management. We have relied on the representation made by the Company and its officers for systems and mechanism set-up by the Company for compliances under applicable Laws. Our examination, on a test-check basis, was limited to procedures followed by the Company for ensuring the compliance with the said provisions. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted its affairs. We further state that this is neither an audit nor an expression of opinion on the financial activities / statements of the Company. Moreover, we have not covered any matter related to any other law which may be applicable to the Company except the aforementioned corporate laws of the Union of India.

(S. M. Gupta)
Partner

S. M. Gupta & Co.,
Company Secretaries
No. : P1993WB046600

Place: Kolkata Membership No.- FCS No:896
Date: 17th May 2019 C P No:2053

Place: Kolkata Membership No.- FCS No:896
Date: 17th May 2019 C P No:2053

Enclo: Annexure forming an integral part of this Report

Enclo: Annexure forming an integral part of this Report

Enclo: Annexure forming an integral part of this Report

"Annexure"

To,
 The Members,
Spencer's Retail Limited

Regd. Office- Duncan House,
 31, Netaji Subhas Road,
 Kolkata-700 001

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on such secretarial records based on our audits.
2. We have followed the audit practices and processes as we considered appropriate to obtain reasonable assurance on the correctness and completeness of the secretarial records. Our verification was conducted on a test basis to ensure that all entries have been made as per statutory requirements. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained Management representation with respect to compliance of laws, rules and regulations and of significant events during the year.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations is the responsibility of

the management. Our examination was limited to the verification of secretarial records on test basis to the extent applicable to the Company.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

(S. M. Gupta)
 Partner

S. M. Gupta & Co.,
 Company Secretaries
 Firm Registration No. : P1993WB046600
 Membership No.- FCS No:896
 C P No:2053

Place: Kolkata
 Date: 17th May 2019

Report on Corporate Social Responsibility Activities

1. A brief outline of the Company's CSR policy etc. including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

The Company is dedicated to the cause of providing access to basic services, empowering people, educating them and to improving their quality of life. The Company undertakes programmes based on the identified needs of the community healthcare, education, art and community like the following :

- a) Provision of access to basic healthcare services/ facilities, safe drinking water & sanitation and conducting health awareness camps;
- b) Empowerment of the disadvantaged sections of society through promoting inclusive education for all, as well as through livelihood generation and skill development;
- c) Supporting environmental and ecological balance through energy conservation, adoption of initiatives resulting into Greenhouse Gas Emissions (GHG) reduction and transformation into a low carbon business practices;
- d) Undertaking livelihood generation/promotion and women empowerment projects;
- e) Any other programme that falls under the Company's CSR Policy and is aimed at the empowerment of disadvantaged sections of the society.

The Company's policy on CSR is posted at www.spencersretail.com/investor/CSR_Policy

The details of the projects undertaken during the year are stated in Management Discussion and Analysis which forms a part of the Director's Report.

The Company was incorporated on 8th February 2017 and accordingly the provisions of Section 135 of the Act read with Rules / Regulations made thereunder are not yet applicable.

- 2. Composition of CSR Committee : The CSR Committee consists of Mr. Sanjiv Goenka, Chairman, Mr. Shashwat Goenka, Director and Mr. Utsav Parekh, Independent Director.
- 3. Average net profit for the last three financial years: N.A.
- 4. Prescribed CSR Expenditure (two percent of the above amount as in item 3 above) is N.A. (The Company having been incorporated on 8th February 2017).
- 5. (a) Total amount spent for the financial year 2018-19 is : N.A.
(b) Unspent amount for financial year 2018-19 is NIL.
(c) Manner in which the amount was spent during the financial year : N.A.
- 6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report: N.A.
- 7. Responsibility Statement: It is stated that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

Sanjiv Goenka
Chairman
(DIN 00074796)

Devendra Chawla
CEO and Managing Director
DIN: 03586196

Kolkata
17th May 2019

(Annexure 'G' to the Directors' Report)

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

(A) Conservation of Energy:

i.	The steps taken or impact on conservation of energy	The operations of your company are not energy intensive, however adequate measures have been taken to reduce energy consumption.
ii.	the steps taken by the company for utilising alternate sources of energy	All efforts are made to use more natural lights in offices/store premises to optimize the consumption of energy.
iii.	the capital investment on energy conservation Equipment's;	Nil

(B) Technology absorption:

i.	the efforts made towards technology absorption	N.A.
ii.	the benefits derived like product improvement, cost reduction, product development or import substitution	N.A.
iii.	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	N.A.
iv.	The expenditure incurred on Research and Development.	Nil

(C) Foreign Exchange Earnings and Outgo:

There have been no foreign exchange earnings during the year. The total foreign exchange outgo was ₹ 2.42 crore for the year 2018-19 (previous year 0.04 crore).

(D) Research and Development:

Research and Development activities are an area of focus for the Company for achieving constant improvements in various operational functions for enhancing quality, productivity and consumer satisfaction.

For and on behalf of the Board of Directors

Kolkata
17th May 2019

Sanjiv Goenka
Chairman
(DIN 00074796)

(Annexure 'H' to the Directors' Report)

Details pertaining to remuneration as required under section 197(12) of the companies act, 2013 read with rule 5(1) of the companies (appointment and remuneration of managerial personnel) rules, 2014

- (1) The ratio of the remuneration (including sitting fees) of the Directors constituted during the financial year 2018-19 –Mr. Sanjiv Goenka, Mr. Shashwat Goenka, Mr. Utsav Parekh, Mr. Pratip Chaudhuri, Ms. Rekha Sethi, Mr. Debanjan Mandal Non-Executive Directors and Mr. Devendra Chawla and Mr. Rahul Nayak, Executive Directors to the median remuneration of employees of the Company for the financial year 2018-19 is 0.34 : 1, 0.26 : 1, 0.38 : 1, 0.52 : 1, 0.43 : 1, 0.39 : 1, 0.51 : 1, 0.25 : 1 and 37.55 : 1 And 123.71 : 1. Further since all the directors of the company has been appointed in the year 2018-19 only, no comparison of increase/decrease in their remuneration can be made. The increase in remuneration of the Chief Financial Officer (CFO) is 7% The Company Secretary has been appointed during the financial year 2018-19 and therefore no

increase in remuneration has been made. During the said financial year, there was an increase of 0.60 % in the median remuneration of employees on the rolls as at 31st March 2019. There were 5379 permanent employees on the rolls of Company as on 31st March 2019.

- (2) During the financial year 2018-19, the average increase in the remuneration was 7.07 %
- (3) The average % increase in the salaries of the employees on roll as at 31.03.2019 other than the managerial personnel was 7.01 % in 2018-19 whereas the increase in the managerial remuneration for the same financial year was 8.8 %
- (4) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Kolkata
17th May 2019

Sanjiv Goenka
Chairman
(DIN 00074796)

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Spencer's Retail Limited (formerly known as RP-SG Retail Limited)

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Spencer's Retail Limited (formerly known as RP-SG Retail Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are

relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>(a) Impairment testing for Brand (as described in note 4 of the standalone Ind AS financial statements)</p> <p>The Company has an acquired brand as at March 31, 2019 assessed to be with indefinite life. As required by Ind AS, such brand is tested for impairment every year as stated in the accounting policy note no 2.2(d) of the standalone Ind AS financial statements.</p> <p>For this assessment, the Company engages a valuer to determine the recoverable value of brand using the discounted cash flow method of valuation, which is highly sensitive to changes in inputs used in valuation and involves judgement due to inherent uncertainty in the assumptions used for forecasting the future cash flows.</p> <p>Accordingly, impairment testing for brand is determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• We evaluated the objectivity and competence of the external valuation specialist involved for such valuation and obtained confirmation of independence from them.• We discussed with the management the methodology and assumptions used in the valuation including, discount rates, expected growth rates and terminal growth rates.• We obtained suitable management representation on the projections of future cash flows and the various assumptions used in the valuation.

Key audit matters	How our audit addressed the key audit matter
<p>Provision for slow moving and obsolete inventories (as described in note 5 of the standalone Ind AS financial statements)</p> <p>Significant judgement is required in assessing the appropriate level of provision required for slow moving and/or obsolete inventory. Such judgement includes management's expectations of forecasted inventory demand, product expiry dates, ageing of inventories and plans to dispose-off inventories.</p> <p>As a result, we consider the provisioning for slow moving and obsolete inventories to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We assessed reasonableness of the allowance policy based on historical sales performance of the products, the outlook of the industry and expectations to sell aged inventories. • We tested, on sample basis, the ageing of the inventories and the computation of the obsolescence level. • We reviewed next year's budget to gain an understanding of the forecast inventory demand and inventories disposal plans for slow-moving/obsolete items to test that the provision for slow moving and obsolete inventories was reasonable.
<p>Fair Valuation of Investment in Subsidiary (as described in note 6 of the standalone Ind AS financial statements)</p> <p>The Company carries its investment in a subsidiary at fair value through Other Comprehensive Income (FVTOCI).</p> <p>The Company engages a valuer to determine the fair value of such investment using the discounted cash flow method of valuation, which is highly sensitive to changes in inputs used in valuation and involves judgement due to inherent uncertainty in the assumptions used for forecasting the future cash flows.</p> <p>Accordingly, the fair valuation of investment in subsidiary Company is determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We evaluated the objectivity and competence of the external valuation specialist involved for such valuation and obtained confirmation of independence from them. • We discussed with the management the methodology and assumptions used in the valuation including, discount rates, expected growth rates and terminal growth rates. • We obtained suitable management representation on the projections of future cash flows and the various assumptions used in the valuation.

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, Management Discussion and Analysis, Report on Corporate Governance, Additional Shareholder's Information, Report on Corporate Social Responsibility and Statement containing salient features of the financial statement of subsidiary, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on

the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with 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 judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance

of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates

and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books ;
 - (c) The Balance Sheet, the 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) 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, as amended 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 29 (b) 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.

For Batliboi, Purohit & Darbari

Chartered Accountants

Firm Registration Number: 303086E

Hemal Mehta

Partner

Membership number: 063404

Place: Kolkata

Date: 17th May 2019

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SPENCER'S RETAIL LIMITED (FORMERLY KNOWN AS RP-SG RETAIL LIMITED)

Report on the Companies (Auditor's report) Order, 2016 ('the Order') under sub-section (11) of section 143 of the Act

- i. (a) The Company is maintaining 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 and in accordance with a planned programme of verifying all of them once in a three year which, in our opinion, is reasonable having regards to the size of the Company and the nature of its asset. 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 property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- ii. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The discrepancies noted on physical verification of inventory as compared to book records has been properly dealt with in the books of accounts and were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder to the extent notified.
- 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 Act for the products/services of the Company.
- vii. (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other material statutory dues as applicable, with the appropriate authorities.
- (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, duty of custom, duty of excise, value added tax, goods and service tax, cess and other 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 of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Amount (` in lakh)	Period to which the amount relates	Forum where pending
Finance Act, 1994	Disallowance of CENVAT Credit	1,020.96	2008-09 to 2010-11	CESTAT, Chennai
State VAT / CST	Disallowance of Input Tax Credit	568.57	2009-10	Joint Commissioner of Sales Tax (Appeals)
State VAT / CST	Mismatch of Input Tax Credit	193.73	2013-14	Deputy Commissioner (Sales Tax)
State VAT / CST	Mismatch of Input Tax Credit	85.80	2010-11	WBCT Appellate & Revisional Board
State VAT / CST	Demand notice under section 3J	62.41	2004-05	Assistant Commissioner
Finance Act, 1994	Demand against concessionaire discount	60.62	2008-09	CESTAT, Chennai
Finance Act, 1994	Demand against concessionaire discount	50.57	2007-08	CESTAT, Chennai
State VAT / CST	Non submission of F Form and disputed turnover	31.52	2008-09, 2009-10 & 2010-11	DC Appeals
State VAT / CST	Demand on disputed stock transfer	29.57	2003-04	WBCT Appellate & Revisional Board
State VAT / CST	Tax demand on first point sales	25.32	2001-02	Appellate DC

Name of the Statute	Nature of dues	Amount (₹ in lakh)	Period to which the amount relates	Forum where pending
State VAT / CST	Disallowance of Input Tax Credit	20.35	2011-12	DC Sales Tax (Appeals),
State VAT / CST	Non Submission of F Form and disputed turnover	13.27	2010-11	WBCT Appellate & Revisional Board
State VAT / CST	Disallowance of Input Tax Credit	7.17	2012-13	Joint Commissioner of Sales Tax (Appeals)
State VAT / CST	Classification dispute on articles	6.23	2010-11	Kerala State Appellate Authorities
State VAT / CST	Non submission of C Form	5.54	2010-11	Joint Commissioner of Sales Tax (Appeals)
State VAT / CST	Disallowance of input tax credit	5.50	2012-13	DC Appeals
State VAT / CST	Classification dispute on articles	4.68	2012-13	Deputy Commissioner (Appeals)
State VAT / CST	Disallowance of input tax credit	4.42	2009-10	Additional Commissioner (Appeals)
State VAT / CST	Classification dispute on articles	3.74	2013-14	Deputy Commissioner (Appeals)
State VAT / CST	Classification dispute on articles	2.02	2012-13	Additional Commissioner (Appeals)
State VAT / CST	Non submission of Form-JVAT 404	0.83	2014-15	Deputy Commissioner (Appeals)
State VAT / CST	Demand on single point tax	0.74	2003-04	AP State Appellate Authorities
State VAT / CST	Non submission of Form-JVAT 404	0.52	2013-14	Deputy Commissioner (Appeals)
State VAT / CST	Classification dispute on articles	0.46	2014-15	Deputy Commissioner (Appeals)
State VAT / CST	Mismatch of Input Tax Credit	0.12	2015-16	WBCT Appellate & Revisional Board

- viii. The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised monies by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause 3 (ix) are not applicable to the Company and hence not commented upon.
- 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 material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- xi. The Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. As the Company is not a nidhi company and the Nidhi Rule, 2014 are not applicable to it, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Ind AS 24 – Related Party Disclosures specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For Batliboi, Purohit & Darbari

Chartered Accountants

Firm Registration Number: 303086E

Hemal Mehta

Partner

Membership number: 063404

Place: Kolkata

Date: 17th May 2019

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SPENCER'S RETAIL LIMITED (FORMERLY KNOWN AS RP-SG 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 (formerly known as RP-SG Retail Limited) ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone 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 with reference to these standalone financial statements 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 with reference to these standalone financial statements 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 over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, 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 over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone financial statements 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 with reference to these standalone financial statements 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 With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, 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 with reference to these standalone financial statements to future periods are subject to the risk that the internal financial

control over financial reporting with reference to these standalone financial statements 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, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, 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 Batliboi, Purohit & Darbari

Chartered Accountants

Firm Registration Number: 303086E

Hemal Mehta

Partner

Membership number: 063404

Place: Kolkata

Date: 17th May 2019

Standalone Balance Sheet as at 31st March 2019

(₹ in lakh)

	Note	As at 31st March 2019	As at 31st March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	16,673.41	14,202.56
Capital work-in-progress		105.71	15.04
Intangible assets	4	9,179.66	9,187.09
Financial assets			
(i) Investments	6	6,719.79	5,503.74
(ii) Loans and deposits	10	3,362.17	2,974.82
(iii) Other financial assets	11	174.98	17,030.90
Non-current tax assets (net)		798.17	281.41
Other non-current assets	12	2,106.44	1,776.99
Total non-current assets		39,120.33	50,972.55
Current assets			
Inventories	5	26,982.13	24,249.13
Financial assets			
(i) Investments	6	983.39	-
(ii) Trade receivables	7	4,567.77	3,720.68
(iii) Cash and cash equivalents	8	2,802.52	1,928.13
(iv) Other bank balances	9	19,101.32	8,000.00
(v) Loans and deposits	10	-	0.93
(vi) Other financial assets	11	141.30	703.37
Other current assets	12	2,475.44	1,839.17
Total current assets		57,053.87	40,441.41
TOTAL ASSETS		96,174.20	91,413.96
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13	3,976.71	-
Equity share capital suspense	13	-	3,976.71
Other equity	14	55,673.08	55,022.31
Total equity		59,649.79	58,999.02
LIABILITIES			
Non-current liabilities			
Financial liabilities	15	85.47	78.04
Provisions	19	816.16	813.04
Total non-current liabilities		901.63	891.08
Current liabilities			
Financial liabilities			
(i) Trade payables	16	67.50	-
- Total outstanding dues of Micro and small enterprises		31,177.02	27,954.09
- Total outstanding dues of creditors other than Micro and small enterprises			
(ii) Other financial liabilities	17	2,110.73	1,362.72
Other current liabilities	18	846.42	710.80
Provisions	19	1,421.11	1,496.25
Total current liabilities		35,622.78	31,523.86
TOTAL EQUITY AND LIABILITIES		96,174.20	91,413.96

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

This is the standalone balance sheet referred to in our report of even date.

For Batliboi, Purohit & Darbari

Chartered Accountants

Firm registration number - 303086E

For and on behalf of Board of Directors

Hemal Mehta

Partner

Membership number - 063404

Devendra Chawla

Chief Executive Officer
and Managing Director
DIN: 03586196

Shashwat Goenka

Director
DIN: 03486121

Sanjiv Goenka

Chairman
DIN: 00074796

Rahul Nayak

Whole-time Director
DIN: 06491536

Rama Kant

Company Secretary

Arvind Kumar Vats

Chief Financial Officer

Place: Kolkata

Date: 17th May 2019

Place: Kolkata

Date: 17th May 2019

Standalone Statement of Profit and Loss for the year ended 31st March 2019

(₹ in lakh)

	Note	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Income			
Revenue from operations	20	2,18,718.58	1,04,285.96
Other income	21	2,778.92	894.97
Total (I)		2,21,497.50	1,05,180.93
Expenses			
Purchases of stock-in-trade		1,74,079.09	83,929.59
Cost of raw materials consumed	22	687.07	475.93
Changes in inventories of stock-in-trade and finished goods	23	(2,500.33)	(659.65)
Employee benefits expense	24	14,208.14	7,209.37
Other expenses	25	30,851.30	13,287.78
Total (II)		2,17,325.27	1,04,243.02
Earnings before interest, tax, depreciation and amortisation (EBITDA) [(I)-(II)]		4,172.23	937.91
Depreciation and amortisation	26	2,454.86	1,468.14
Finance costs	27	744.65	379.92
Profit / (loss) before tax (III)		972.72	(910.15)
Tax expense			
Current tax - minimum alternative tax		178.52	-
Profit / (loss) for the period (IV)		794.20	(910.15)
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plans		(143.43)	(32.77)
[net of tax of ₹ 37.18 lakh (previous period: Nil)]			
Other Comprehensive Income for the period (V)		(143.43)	(32.77)
Total Comprehensive Income for the period [(IV)+(V)]		650.77	(942.92)
Earnings per share - Basic and Diluted	28	1.00	(2.62)
[Nominal value per equity share ₹ 5 (31st March 2018: ₹ 5)]			

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

This is the standalone statement of profit and loss referred to in our report of even date.

For Batliboi, Purohit & Darbari

Chartered Accountants

Firm registration number - 303086E

For and on behalf of Board of Directors**Hemal Mehta**

Partner

Membership number - 063404

Devendra ChawlaChief Executive Officer
and Managing Director
DIN: 03586196**Shashwat Goenka**Director
DIN: 03486121**Sanjiv Goenka**Chairman
DIN: 00074796**Rahul Nayak**Whole-time Director
DIN: 06491536**Rama Kant**

Company Secretary

Arvind Kumar Vats

Chief Financial Officer

Place: Kolkata

Date: 17th May 2019

Place: Kolkata

Date: 17th May 2019

Standalone Statement of Changes in Equity for the year ended 31st March 2019

A. Equity share capital

	31st March 2019		31st March 2018	
	No. of shares	₹ in lakh	No. of shares	₹ in lakh
Balance at the beginning of the period	-	-	50,000	5.00
Equity shares cancelled pursuant to the Scheme (refer note 39)	-	-	(50,000)	(5.00)
Equity shares allotted pursuant to the Scheme (refer note 39)	7,95,34,226	3,976.71	-	-
Balance at the end of the period	7,95,34,226	3,976.71	-	-

B. Equity share capital suspense

	31st March 2019		31st March 2018	
	No. of shares	₹ in lakh	No. of shares	₹ in lakh
Balance at the beginning of the period	7,95,34,226	3,976.71	-	-
Equity share capital pending for allotment	-	-	7,95,34,226	3,976.71
Equity shares allotted pursuant to the Scheme (refer note 39)	(7,95,34,226)	(3,976.71)	-	-
Balance at the end of the period	-	-	7,95,34,226	3,976.71

C. Other equity

	Reserves and Surplus (₹ in lakh)		Total
	Capital reserve	Retained earnings	
Balance as at 8th February 2017	-	-	-
Arisen pursuant to the Scheme (refer note 39)	55,965.23	-	55,965.23
Loss for the period	-	(910.15)	(910.15)
Remeasurement of defined benefit plans	-	(32.77)	(32.77)
Balance as at 31st March 2018	55,965.23	(942.92)	55,022.31
Profit for the year	-	794.20	794.20
Remeasurement of defined benefit plans	-	(143.43)	(143.43)
Balance as at 31st March 2019	55,965.23	(292.15)	55,673.08

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

This is the standalone statement of changes in equity referred to in our report of even date.

For Batliboi, Purohit & Darbari

Chartered Accountants

Firm registration number - 303086E

Hemal Mehta

Partner

Membership number - 063404

For and on behalf of Board of Directors

Devendra Chawla

Chief Executive Officer
and Managing Director
DIN: 03586196

Shashwat Goenka

Director
DIN: 03486121

Sanjiv Goenka

Chairman
DIN: 00074796

Rahul Nayak

Whole-time Director
DIN: 06491536

Rama Kant

Company Secretary

Arvind Kumar Vats

Chief Financial Officer

Place: Kolkata

Date: 17th May 2019

Place: Kolkata

Date: 17th May 2019

Standalone Cash Flow Statement for the year ended 31st March 2019

(₹ in lakh)

	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
OPERATING ACTIVITIES		
Profit / (loss) before tax	972.72	(910.15)
Adjustments:		
Depreciation and amortisation	2,454.86	1,468.14
Provision for bad and doubtful debts	94.24	84.11
Provision for decommissioning liability	53.62	5.32
Provision for obsolete stocks	222.71	246.84
Interest expense	44.82	21.06
Fair value gain on investments	(247.04)	-
Gain on sale of investments	(100.92)	(62.41)
Interest income	(1,824.52)	(809.20)
Net (gain) / loss on sale of property, plant and equipment	(27.28)	3.48
Cash generated from operations before working capital changes	1,643.21	47.19
Working capital changes:		
(Increase) in inventories	(2,955.71)	(643.14)
(Increase) / decrease in trade receivables	(941.33)	184.36
(Increase) / decrease in loans and deposits	(386.42)	181.98
(Increase) / decrease in other financial assets	215.85	1,139.88
(Increase) in other assets	(1,636.09)	(134.76)
Increase / (decrease) in trade payables	3,290.43	(1,597.67)
Increase / (decrease) in financial liabilities	189.23	(3,344.56)
Increase / (decrease) in other current liabilities	135.62	(47.76)
(Decrease) in provisions	(304.60)	(69.98)
Net cash used in operating activities (A)	(749.81)	(4,284.46)
INVESTING ACTIVITIES		
Purchase of property, plant and equipments, including intangible assets, capital work in progress and capital advances	(4,504.70)	(632.64)
Proceeds from sale of property, plant and equipments	64.32	8.45
Investment in subsidiary company	(625.00)	(4,818.57)
Investments in alternative investment fund	(375.00)	(375.00)
Proceeds from redemption of alternative investment fund	29.06	-
Purchase of mutual fund units	(18,418.07)	(15,355.29)
Proceeds from sale of mutual fund units	17,537.53	15,962.40
Investments in bank deposits	(34,424.80)	(59,985.59)
Redemption / maturity of bank deposits	40,333.11	40,995.77
Interest received	2,017.03	560.19
Net cash flow from / (used in) investing activities (B)	1,633.48	(23,640.28)

Standalone Cash Flow Statement for the year ended 31st March 2019

	(₹ in lakh)	
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	5.00
Setoff / proceeds / (repayment) from short-term borrowings (net)	-	8,210.57
Interest paid	(9.28)	(18.81)
Net cash (used in) / flow from financing activities (C)	(9.28)	8,196.76
Net increase / (decrease) in Cash and Cash equivalents (A+B+C)	874.39	(19,727.98)
Cash and cash equivalents acquired pursuant to the Scheme (refer note 39)	-	21,656.11
Cash and cash equivalents at the beginning of the period	1,928.13	-
Cash and cash equivalents at the end of the period	2,802.52	1,928.13
Components of cash and cash equivalents:		
Balance with banks in current accounts	1,360.80	1,156.16
Balance with credit card, e-wallet companies and others	777.31	405.99
Cash on hand	664.41	365.98
Total cash and cash equivalents (refer note 8)	2,802.52	1,928.13

Change in liability arising from financing activities:

	(₹ in lakh)			
Particulars	As at 1st April 2018	Cash flows	Non-cash changes	As at 31st March 2019
Financial liabilities	78.04	-	7.43	85.47

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

This is the standalone cash flow statement referred to in our report of even date.

For Batliboi, Purohit & Darbari

Chartered Accountants

Firm registration number - 303086E

Hemal Mehta

Partner

Membership number - 063404

For and on behalf of Board of Directors

Devendra Chawla

Chief Executive Officer
and Managing Director
DIN: 03486121

Shashwat Goenka

Director
DIN: 03586196

Sanjiv Goenka

Chairman
DIN: 00074796

Rahul Nayak

Whole-time Director
DIN: 06491536

Rama Kant

Company Secretary

Arvind Kumar Vats

Chief Financial Officer

Place: Kolkata

Date: 17th May 2019

Place: Kolkata

Date: 17th May 2019

Notes to standalone financial statements as at and for the year ended 31st March 2019

1. Corporate Information

Spencer's Retail Limited (formerly known as RP-SG Retail Limited) ("the Company") is a public limited Company incorporated under the provisions of the Companies Act, 2013 ("the Act") under the corporate identity number L74999WB2017PLC219355 having its registered office at Duncan House, 31, Netaji Subhas Road, Kolkata - 700001. The name of the Company was changed from "RP-SG Retail Limited" to "Spencer's Retail Limited" vide certificate of incorporation pursuant to change of name issued by the Registrar of Companies, Kolkata dated 13th December 2018.

The Company is primarily engaged in developing, conducting, investing and promoting organised retail and operates departmental and neighbourhood stores under various formats across the country.

2.1 Basis of preparation

(a) Statement of compliance

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules 2015, as amended, notified under Section 133 and other relevant provisions of the Act.

These standalone financial statements of the Company for the year ended 31st March 2019 were approved by the Board of Directors in their meeting held on 17th May 2019.

(b) Basis of measurement

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

(c) Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded off to the nearest lakh, unless otherwise indicated.

(d) Use of estimates and judgements

The preparation of these standalone financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, incomes, expenses and the accompanying disclosures in the standalone financial statement. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (i) Useful life and residual value of property, plant and equipment and intangible assets - Note 3 & 4
- (ii) Determining the fair values of investments - Note 6
- (iii) Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources - Note 19 & 29.(b)
- (iv) Measurement of defined benefit obligations: key actuarial assumptions - Note 35.
- (v) Impairment of financial assets: key assumptions used in estimating recoverable cash flows - Note 37.
- (vi) Non recognition of deferred tax assets - Note 33.

2.2 Significant accounting policies

(a) Current and non-current classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act. Based on the nature of products and the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as upto 12 months for the purpose of current/non-current classification of assets and liabilities.

Notes to standalone financial statements as at and for the year ended 31st March 2019

(b) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of initial transaction. Exchange differences are recognised in the Statement of Profit and Loss in the period in which they arise.

(c) Property, plant and equipment [PPE]

(i) Recognition and measurement

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

The cost of an item of property, plant and equipment comprises its purchase price inclusive of duties, taxes, after deducting trade discounts and rebates, incidental expenses, erection/ commissioning expenses, borrowing cost, any directly attributable cost of bringing the item to its working condition for its intended use and costs of dismantling and removing the item and restoring the site on which it is located.

Expenditure incurred in setting up of stores are capitalised 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. 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.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and Loss.

Property, plant and equipment under construction are disclosed as Capital work-in- progress.

(ii) Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight line method to allocate their cost, net of their residual values on the basis of useful lives prescribed in Schedule II to the Act and based on management's estimate of useful lives. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation is calculated on a straight line basis using the rates arrived based on the useful lives estimated by the management, which are as follows:

Class of assets	Management estimate of useful life
Computer hardwares	3 to 6 years
Furniture and fixtures	3 to 15 years
Vehicles	5 years
Office equipments	5 years
Plant and machineries	15 to 25 years

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.

(iii) Capital work-in-progress (CWIP)

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Directly attributable expenditure incurred on project under implementation are treated as pre-operative expenses pending allocation to the asset and are shown under CWIP.

Notes to standalone financial statements as at and for the year ended 31st March 2019

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost, which includes purchase price and any cost directly attributable to bringing the asset to the conditions necessary for it to be capable of operating in the manner intended by management. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

All relatable expenditure incurred with respect to developing designs which are capable of being used for more than one season are capitalised and amortised over the useful period of the design.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite life intangible assets are amortised on a straight-line basis over the period of their expected useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Class of assets	Management estimate of useful life
Computer softwares	6 years
Know-how and licenses	10 years
Designs	3 years

The amortisation period and the amortisation method for finite life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates. The Company has considered infinite life for acquired brand.

(e) Inventories

Traded goods, finished goods and packing materials are valued at lower of cost and net realisable value. Cost of inventories comprise costs of purchase, conversion costs and other costs incurred in bringing the inventories to their present condition and location. Cost is determined under moving weighted average method. Costs of purchased inventory are determined after deducting rebates and discounts.

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, slow moving and damaged stock is valued at lower of cost less provision and net realisable value. Such inventories are identified from time to time and where necessary a provision is made for such inventories.

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

(f) Financial instruments

(i) Financial Assets

The financial assets are classified in the following categories:

- financial assets measured at amortised cost,
- financial assets measured at fair value through profit and loss, and
- investment in equity instruments

The classification of financial assets depends on the Company's business model for managing financial assets and the contractual terms of the cash flow. At initial recognition, the financial assets are measured at its fair value.

Financial assets measured at amortised cost - Assets that are held for collection of contractual cash flows and where those cash flows represent solely payments of principal and interest are measured at amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method. The losses arising from impairment, if any, are recognised in the Statement of Profit or Loss.

Financial instruments measured at fair value through profit and loss - Financial instruments included within fair value through profit and loss category are measured initially as well as at each reporting period at fair value plus transaction costs as applicable. Fair value movements are recorded in the Statement of Profit and Loss. Investments in units of mutual funds are accounted for at fair value and the changes in fair value are recognised in the Statement of Profit and Loss.

Notes to standalone financial statements as at and for the year ended 31st March 2019

Investment in equity Instruments - Equity investments in scope of Ind AS 109 are measured at fair value. At initial recognition, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(ii) Financial Liabilities

Financial liabilities are measured at amortised cost using the effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amount approximates fair value to short-term maturity of these instruments. A financial liability (or a part of financial liability) is de-recognised from Company's balance sheet when obligation specified in the contract is discharged or cancelled or expired.

(iii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events.

(g) Cash and cash equivalents

Cash and cash equivalent 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) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as and when the related services are provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays a fixed contribution and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to provident and superannuation fund are recognised as an employee benefit expense in Statement of Profit and Loss when the contributions to the respective funds are due.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plans.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses due to experience adjustments, changes in actuarial assumptions and the return on plan assets (excluding interest) are recognised in Other comprehensive income (OCI). Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

(iv) Compensated absences

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is measured on the basis of an annual independent actuarial valuation using the projected unit credit method, for the unused entitlement that has

Notes to standalone financial statements as at and for the year ended 31st March 2019

accumulated as at the balance sheet date. Non-accumulating compensated absences are recognised in the period in which the absences occur.

(i) Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

(j) Contingent liabilities

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is possible. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

(k) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue recognised from the sale of products is measured at the fair value of the consideration received or receivable, net of returns and trade discounts. The Company collects Goods and Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Accordingly, they are excluded from revenue.

Where the Company is the principal in the transaction, the sales are recorded at their gross values. Where the Company is effectively the agent in the transaction, the cost of the merchandise is disclosed as a deduction from the gross value.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

The Company has contracts with concessionaire whereby it facilitates in the sale of products of these concessionaires. Thus, the Company is an agent and records revenue at the net amount that it retains for its agency services.

Any amounts received from merchandiser for which the Company does not provide any distinct good or service are considered as a reduction of purchase costs.

Other operating revenue

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

(l) Interest income

Interest income is recognised based on time proportion basis considering the amount outstanding and using the effective interest rate (EIR). Interest income is included as other income in the Statement of Profit and Loss.

(m) Expenses

All expenses are accounted for on accrual basis.

(n) 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.

Notes to standalone financial statements as at and for the year ended 31st March 2019

(o) Income tax

(i) Current tax

Current income tax is measured at the amount expected to be paid, if any to the tax authorities in accordance with Indian Income Tax Act, 1961. Management periodically evaluates positions taken in the tax returns vis-à-vis positions taken in books of account, which are subject to interpretation, and creates provisions where appropriate.

(ii) 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.

(p) Business combination

Business combination involving entities or businesses under common control are accounted for using the pooling of interest method whereby the assets and liabilities of the combining entities / business are reflected at their carrying value and necessary adjustments, if any, have been given effect to as per the scheme approved by National Company Law Tribunal.

(q) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(r) 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.

(s) Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA) has notified Ind AS 116 - Leases in March 2019 which replaces the existing Ind AS 17. The amendment came into force from accounting period commencing on or after 1st April 2019. The Company is in the process of assessing the possible impact of Ind AS 116 - Leases and will adopt the amendments on the required effective date.

(t) Changes in accounting policies and disclosures due to new and amended standards

Ind AS 115 - Revenue from Contracts with Customers was issued on 28th March 2018 and supersedes Ind AS 18. The Company has adopted Ind AS 115 using the modified retrospective approach. The nature and effect of the changes as a result of adoption of Ind AS 115 are described in note 31.

Following are the other amendments and interpretations issued for the year ended 31st March 2019, but either are not applicable to the Company or does not have a material impact on these standalone financial statements of the Company:

- Amendments to Ind AS 12 - Income taxes
- Appendix B to Ind AS 21 - Foreign currency transactions and advance consideration
- Amendments to Ind AS 28 - Investments in associates and joint ventures
- Amendment to Ind AS 38 - Intangible asset
- Amendments to Ind AS 40 - Investment property

Notes to standalone financial statements as at and for the year ended 31st March 2019

3. Property, plant and equipment

(₹ in lakh)

	Leasehold improvements	Plant and machineries	Computer hardwares	Vehicles	Furniture and fixtures	Office equipments	Total
Gross carrying amount							
As at 8th February 2017	-	-	-	-	-	-	-
Acquired pursuant to the Scheme (refer note 39)	9,098.25	4,199.80	1,514.48	22.96	6,433.70	131.97	21,401.16
Additions during the period	6.45	183.79	207.73	-	96.27	4.60	498.84
Disposals during the period	174.84	13.22	8.72	3.41	29.59	0.34	230.12
As at 31st March 2018	8,929.86	4,370.37	1,713.49	19.55	6,500.38	136.23	21,669.88
Additions during the year	1,985.01	941.32	459.62	-	1,361.34	8.26	4,755.55
Disposals during the year	36.12	56.48	6.67	-	173.93	-	273.20
As at 31st March 2019	10,878.75	5,255.21	2,166.44	19.55	7,687.79	144.49	26,152.23
Accumulated depreciation							
As at 8th February 2017	-	-	-	-	-	-	-
Acquired pursuant to the Scheme (refer note 39)	2,135.98	901.45	922.74	13.40	2,326.77	20.00	6,320.34
Depreciation for the period (refer note 26)	433.49	234.64	175.77	8.23	502.86	7.16	1,362.15
Disposals for the period	174.84	11.85	6.17	3.41	18.66	0.24	215.17
As at 31st March 2018	2,394.63	1,124.24	1,092.34	18.22	2,810.97	26.92	7,467.32
Depreciation for the year (refer note 26)	725.43	497.39	313.44	0.51	696.15	14.73	2,247.65
Disposals for the year	32.80	48.89	3.56	-	150.90	-	236.16
As at 31st March 2019	3,087.26	1,572.74	1,402.22	18.73	3,356.22	41.65	9,478.82
Net carrying amount							
As at 31st March 2018	6,535.23	3,246.13	621.15	1.33	3,689.41	109.31	14,202.56
As at 31st March 2019	7,791.49	3,682.47	764.22	0.82	4,331.57	102.84	16,673.41

4. Intangible assets

(₹ in lakh)

	Computer softwares	Know-how and licenses	Designs	Brand *	Total
Gross carrying amount					
As at 8th February 2017	-	-	-	-	-
Acquired pursuant to the Scheme (refer note 39)	758.10	295.05	-	8,625.00	9,678.15
Additions during the period	52.31	-	-	-	52.31
Disposals during the period	2.47	-	-	-	2.47
As at 31st March 2018	807.94	295.05	-	8,625.00	9,727.99
Additions during the year	83.05	-	116.73	-	199.78
Disposals during the year	-	-	-	-	-
As at 31st March 2019	890.99	295.05	116.73	8,625.00	9,927.77
Accumulated amortisation					
As at 8th February 2017	-	-	-	-	-
Acquired pursuant to the Scheme (refer note 39)	286.59	150.67	-	-	437.26
Amortisation for the period (refer note 26)	78.63	27.36	-	-	105.99
Disposals for the period	2.35	-	-	-	2.35
As at 31st March 2018	362.87	178.03	-	-	540.90
Amortisation for the year (refer note 26)	128.98	54.67	23.56	-	207.21
Disposals for the year	-	-	-	-	-
As at 31st March 2019	491.85	232.70	23.56	-	748.11
Net carrying amount					
As at 31st March 2018	445.07	117.02	-	8,625.00	9,187.09
As at 31st March 2019	399.14	62.35	93.17	8,625.00	9,179.66

* Brand has been considered of having an indefinite useful life taking into account that there are no technical, technological or commercial risks of obsolescence or limitations under contract or law. The indefinite life intangible assets are tested for impairment annually.

Notes to standalone financial statements as at and for the year ended 31st March 2019

5. Inventories

(at lower of cost and net realisable value)

	As at 31st March 2019	As at 31st March 2018
Raw materials	78.01	79.29
Finished goods	36.85	18.50
Stock-in-trade	27,055.88	24,573.90
Packing materials	309.83	298.59
	27,480.57	24,970.28
Provision for obsolete stock:		
- stock-in-trade	(488.80)	(694.28)
- packing materials	(9.64)	(26.87)
	(498.44)	(721.15)
	26,982.13	24,249.13

6. Investments

	As at 31st March 2019	As at 31st March 2018
Non-current		
Unquoted		
Investments in equity instruments (at FVTOCI)		
Subsidiary:		
Omnipresent Retail India Private Limited: 45,296,569 equity shares (31st March 2018: 39,046,579 equity shares) of ₹10 each, fully paid up	5,443.58	4,818.58
Others:		
Retailer's Association of India: 10,000 equity shares (31st March 2018: 10,000 equity shares) of ₹10 each, fully paid up	1.00	1.00
Investment in Alternative Investment Fund (at FVTPL)		
Fireside Ventures Investment Fund: 1,104.696 units (31st March 2018: 750 units) of face value ₹100,000 each	1,275.21	684.16
	6,719.79	5,503.74
Current		
Quoted		
Investment in mutual fund (at FVTPL)		
IDFC Ultra Short Term Fund - Direct Plan - Growth: 9,272,911.6340 units (31st March 2018: Nil) of ₹10.6050 each	983.39	-
	983.39	-
Aggregate amount of quoted investment and market value thereof	983.39	-
Aggregate value of unquoted investments	6,719.79	5,503.74

7. Trade receivables

(Unsecured)

	As at 31st March 2019	As at 31st March 2018
Considered good	4,567.77	3,720.68
Credit impaired	175.74	81.50
	4,743.51	3,802.18
Less: allowance for credit impaired receivable	(175.74)	(81.50)
	4,567.77	3,720.68

Refer note 36 for receivables from related parties.

Notes to standalone financial statements as at and for the year ended 31st March 2019

8. Cash and cash equivalents

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Balance with banks in current accounts	1,360.80	1,156.16
Balance with credit card, e-wallet companies and others	777.31	405.99
Cash on hand	664.41	365.98
	2,802.52	1,928.13

9. Other bank balances

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Bank deposits with original maturity of more than 3 months and less than 12 months	19,101.32	8,000.00
	19,101.32	8,000.00

10. Loans and deposits

(Unsecured)

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Non-current		
Deposits		
- Considered good	3,362.17	2,974.82
- Significant increase in credit risk	13.42	13.95
- Credit impaired	131.99	131.99
	3,507.58	3,120.76
Impairment allowance:		
- Significant increase in credit risk	(13.42)	(13.95)
- Credit impaired	(131.99)	(131.99)
	(145.41)	(145.94)
	3,362.17	2,974.82
Current		
Deposits	-	0.93
	-	0.93

11. Other financial assets

(Secured and considered good)

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Non-current		
Bank deposits with original maturity for more than 12 months	-	15,300.00
Margin money deposit *	171.06	1,640.88
Interest accrued on bank deposits	2.79	89.81
Advances to employees	1.13	0.21
	174.98	17,030.90
Current		
Bank deposits with original maturity for more than 12 months	-	239.81
Interest accrued on bank deposits	17.33	122.82
Advances to employees	39.83	40.35
Other receivables	84.14	300.39
	141.30	703.37

* Margin money deposit of ₹171.06 lakh (31st March 2018: ₹1,640.88 lakh) are encumbered with banks against bank guarantees and overdraft facilities.

Notes to standalone financial statements as at and for the year ended 31st March 2019

12. Other assets

(Unsecured)

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Non-current		
Capital advances		
- Considered good	39.48	14.57
- Credit impaired	3.54	3.54
- Less: allowance for credit impaired advances	43.02 (3.54)	18.11 (3.54)
	39.48	14.57
Advances other than capital advances:		
Prepaid expenses	2,032.24	1,731.39
Deposits for claims and tax disputes	34.72	31.03
	2,106.44	1,776.99
Current		
Advances recoverable in cash or in kind	650.30	325.09
Prepaid expenses	1,066.39	655.37
Balance with statutory / government authorities	758.75	858.71
	2,475.44	1,839.17

13. Equity share capital

	As at 31st March 2019		As at 31st March 2018	
	No. of shares	₹ in lakh	No. of shares	₹ in lakh
Authorised:				
Equity shares of ₹ 5 each	2,99,01,00,000	1,49,505.00	2,99,01,00,000	1,49,505.00
Preference shares of ₹ 100 each *	5,00,000	500.00	5,00,000	500.00
	2,99,06,00,000	1,50,005.00	2,99,06,00,000	1,50,005.00
Issued, subscribed and fully paid-up:				
Equity shares of ₹ 5 each	7,95,34,226	3,976.71	-	-
	7,95,34,226	3,976.71	-	-
Equity share capital suspense				
Equity shares of ₹ 5 each to be issued pursuant to the Scheme and pending for allotment (refer note 39)	-	-	7,95,34,226	3,976.71
	-	-	7,95,34,226	3,976.71

* 500,000 0.01% non-cumulative non-convertible redeemable preference shares of ₹ 100 each issued are classified as financial liability (refer note 15).

(a) Reconciliation of the shares outstanding at the beginning and at the end of the period:

	As at 31st March 2019		As at 31st March 2018	
	No. of shares	₹ in lakh	No. of shares	₹ in lakh
Equity shares				
At the beginning of the period	-	-	50,000	5.00
Equity shares cancelled pursuant to the Scheme (refer note 39)	-	-	(50,000)	(5.00)
Equity shares issued pursuant to the Scheme (refer note 39)	7,95,34,226	3,976.71	-	-
At the end of the period	7,95,34,226	3,976.71	-	-

Note:

- (i) In terms of the Scheme, the paid up equity share capital of ₹ 5 lakh pertaining to the period prior to the Appointed date i.e. 1st October 2017 stands cancelled and reduced (refer note 39).
- (ii) 79,534,226 equity shares of ₹ 5 each amounting to ₹ 3,976.71 lakh is the equity share capital of the Company effective from 1st October 2017 post restructuring. The aforesaid shares were pending allotment as on 31st March 2018 and hence have been disclosed as equity share capital suspense. On 14th November 2018, the equity shares were issued and since transferred to equity share capital.

Notes to standalone financial statements as at and for the year ended 31st March 2019

13. Equity share capital (Contd.)

(b) Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 5 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) Particulars of shareholders holding more than 5% shares of fully paid up equity shares:

	As at 31st March 2019		As at 31st March 2018	
	No. of shares	%	No. of shares	%
Rainbow Investments Limited	3,80,32,979	47.82%	-	-

In terms of the Scheme, the paid up equity share capital ₹ 5 lakh held by the erstwhile holding company stands cancelled (refer note 39).

(d) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	Year ended 31st March 2019	Year ended 31st March 2018	Year ended 31st March 2017
	(₹ in lakh)		
Equity shares of ₹ 5 each allotted as fully paid-up pursuant to the Scheme (refer note 39)	3,976.71	-	-
Preference shares of ₹100 each allotted as fully paid-up pursuant to the Scheme (refer note 39)	85.47	-	-

Note: As the Company was incorporated on 8th February 2017, disclosure of number of shares issued for consideration other than cash for the year ended 31st March 2016 and 31st March 2015 is not applicable and hence not disclosed.

14. Other equity

	As at 31st March 2019	As at 31st March 2018
Capital reserve		
Balance as at beginning of the period	55,965.23	-
Arisen pursuant to the Scheme (refer note 39)	-	55,965.23
Balance as at end of the period	55,965.23	55,965.23
 Retained earnings		
Balance as at beginning of the period	(942.92)	-
Profit / (loss) for the period	794.20	(910.15)
Remeasurement of defined benefit plans	(143.43)	(32.77)
Balance as at end of the period	(292.15)	(942.92)
	55,673.08	55,022.31

Note:

- (a) The difference between net fair value of assets and liabilities of the undertakings acquired and shares issued under the Scheme had been credited to Capital Reserve (refer note 39).
- (b) Retained earnings includes reserves created out of profits and remeasurement gains / losses on defined benefit plans.

15. Financial liabilities

	As at 31st March 2019	As at 31st March 2018
Non-cumulative non-convertible redeemable preference shares		
0.01% non-cumulative non-convertible redeemable preference shares of ₹100 each: 500,000 shares (31st March 2018: 500,000 shares) issued pursuant to the Scheme (refer note 39)	85.47	78.04

* pending allotment as on 31st March 2018, the same has been disclosed as preference share suspense.

Rights, preferences and restrictions attached to preference shares:

The non-convertible non-cumulative redeemable 500,000 preference shares of ₹ 100 each carrying dividend @ 0.01% per annum is redeemable at par after 20 years from the date of allotment.

Notes to standalone financial statements as at and for the year ended 31st March 2019

16. Trade payables

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Total outstanding dues of Micro and small enterprises (refer note 30)	67.50	-
Total outstanding dues of creditors other than Micro and small enterprises	31,177.02	27,954.09
	31,244.52	27,954.09

Refer note 36 for dues to related parties.

17. Other financial liabilities

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Sundry deposits	369.64	319.64
Liability for capital goods	781.51	215.30
Payable to employees	959.58	827.78
	2,110.73	1,362.72

18. Other current liabilities

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Advances from customers	393.59	361.39
Statutory dues	452.83	349.41
	846.42	710.80

19. Provisions

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Non-current		
Provisions for employee benefits:		
Provision for gratuity (refer note 35)	278.48	307.00
Provision for compensated absences	237.23	259.21
	515.71	566.21
Other provisions:		
Provision for decommissioning liability [refer note (a) below]	300.45	246.83
	816.16	813.04
Current		
Provisions for employee benefits:		
Provision for gratuity (refer note 35)	40.32	17.20
Provision for compensated absences	18.01	13.10
	58.33	30.30
Other provisions:		
Provision for tax disputes [refer note (b) below]	179.73	293.53
Provision for claims on leased properties [net off amount deposited - refer note (c) below]	1,183.05	1,172.42
	1,362.78	1,465.95
	1,421.11	1,496.25

Notes to standalone financial statements as at and for the year ended 31st March 2019

19. Provisions (Contd.)

Note:

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

	(₹ in lakh)	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Opening balance	246.83	-	-
Arisen pursuant to the Scheme (refer note 39)	-	230.74	230.74
Provision created during the period	30.72	8.46	8.46
Unwinding of interest during the period	22.90	10.77	10.77
Provision reversed / utilised during the period	-	(3.14)	(3.14)
Closing balance	300.45	246.83	246.83

(b) 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.

	(₹ in lakh)	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Opening balance	293.53	-	-
Arisen pursuant to the Scheme (refer note 39)	-	291.33	291.33
Provision created / (reversed) during the period	(0.54)	2.20	2.20
Paid during the period	(113.26)	-	-
Closing balance *	179.73	293.53	293.53

* Net of deposits as at 31st March 2019 ₹ 51.09 lakh (31st March 2018: ₹ 51.89 lakh) made under appeal.

(c) 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 October 2011 directing the members of RAI to pay 50% of total service tax liability up to September 2011 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 lakh and furnished a surety for ₹ 460 lakh 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 2019 is ₹ 1,183.05 lakh (31st March 2018: ₹ 1,172.42 lakh).

	(₹ in lakh)	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Opening balance	1,172.42	-	-
Arisen pursuant to the Scheme (refer note 39)	-	1,137.49	1,137.49
Provision created during the period	46.78	79.36	79.36
Provision reversed / paid during the period	(36.15)	(44.43)	(44.43)
Closing balance	1,183.05	1,172.42	1,172.42

Notes to standalone financial statements as at and for the year ended 31st March 2019

20. Revenue from operations

	(₹ in lakh)	
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Sale of goods	2,28,068.35	1,06,965.47
Sale of concessionaire products	3,844.13	1,643.48
Total	2,31,912.48	1,08,608.95
Less: Tax	(21,054.26)	(10,603.19)
Less: Cost of goods sold for concessionaire products	(2,955.17)	(1,246.08)
	2,07,903.05	96,759.68
Other operating revenue	10,815.53	7,526.28
	2,18,718.58	1,04,285.96

21. Other income

	(₹ in lakh)	
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Interest income		
- Bank deposits	1,579.47	718.58
- Security deposits	235.25	90.62
- Others	9.80	-
Gain on sale of investments	100.92	62.41
Fair value gain on investments	247.04	-
Net gain on sales of property, plant and equipment	27.28	-
Miscellaneous income *	579.16	23.36
	2,778.92	894.97

* includes provision / liabilities no longer required written back.

22. Cost of raw materials consumed

	(₹ in lakh)	
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Inventories at the beginning of the period	79.29	-
Inventories acquired pursuant to the Scheme (refer note 39)	-	87.57
Purchases during the period	685.79	467.65
	765.08	555.22
Less: Inventories at the end of the period	78.01	79.29
	687.07	475.93

23. Changes in inventories of stock-in-trade and finished goods

	(₹ in lakh)	
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Inventories at the beginning of the period	24,592.40	-
Inventories acquired pursuant to the Scheme (refer note 39)	-	23,932.75
Less: Inventories at the end of the period	27,092.73	24,592.40
	(2,500.33)	(659.65)

Notes to standalone financial statements as at and for the year ended 31st March 2019

24. Employee benefits expense

	(₹ in lakh)	
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Salaries, wages and bonus	12,806.98	6,470.60
Contribution to provident and other funds (refer note 35)	820.69	443.12
Staff welfare expenses	580.47	295.65
	14,208.14	7,209.37

25. Other expenses

	(₹ in lakh)	
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Power and fuel	4,333.67	1,803.58
Freight	214.62	111.90
Rent [refer note 29(a)]	11,033.48	4,879.37
Repairs and maintenance		
- Buildings	371.97	180.50
- Others	2,679.50	1,348.72
Insurance	70.23	36.36
Rates and taxes	523.57	227.64
Advertisement and selling expenses	3,436.25	1,118.55
Packing materials consumed	559.02	214.83
Travelling and conveyance	380.47	174.14
Auditor's remuneration		
- Statutory audit fees	8.00	0.15
- Tax audit fees	2.00	-
Communication expenses	211.60	128.13
Printing and stationery	292.30	120.73
Legal and consultancy expenses	461.50	133.63
Housekeeping expenses	3,167.30	1,436.84
Security expenses	1,679.54	744.08
Loss on sale/ write off of property, plant and equipment (net)	-	3.48
Bad debts / irrecoverable balances written off	-	3.14
Provision for bad and doubtful debts	94.24	80.97
Miscellaneous expenses	1,332.04	541.04
	30,851.30	13,287.78

26. Depreciation and amortisation

	(₹ in lakh)	
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Depreciation of property, plant and equipment (refer note 3)	2,247.65	1,362.15
Amortisation of intangible assets (refer note 4)	207.21	105.99
	2,454.86	1,468.14

27. Finance costs

	(₹ in lakh)	
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Interest expense	44.82	21.06
Other costs	699.83	358.86
	744.65	379.92

Notes to standalone financial statements as at and for the year ended 31st March 2019

28. Earning per share (EPS)

Basic and diluted EPS have been calculated by dividing the profit / (loss) for the period attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the period.

	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Profit / (loss) for the period (₹ in lakh)	794.20	(910.15)
Weighted average number of equity shares for earning per share *	7,95,34,226	3,47,40,957
Earnings per share – basic and diluted (face value of ₹ 5 each)	1.00	(2.62)

* For the purpose of calculating earnings per share for the year ended 31st March 2019 and for the period 8th February 2017 to 31st March 2018, the equity shares issued pursuant to the Scheme (refer note 39) have been considered effective as on 1st October 2017, being the appointed date under the Scheme and the equity shares outstanding stands cancelled from the aforesaid date.

29. Commitments and contingencies

(a) Operating lease commitments (Company as Lessee)

Retail stores are taken by the Company 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:

	(₹ in lakh)	
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Lease expenses for the period	11,033.48	4,879.37

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Future minimum lease payments:		
(i) Within 12 months	8,752.77	7,136.24
(ii) Between 2 and 5 years	34,859.62	28,040.31
(iii) Beyond 5 years	71,112.75	46,134.26

(b) Contingent liabilities

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Contingent liabilities not provided for in respect of:		
(i) Sales tax / VAT demands under appeal	1,027.87	951.20
(ii) Service Tax demands under appeal	553.89	553.89
(iii) Claims against the Company not acknowledged as debt	4,612.40	4,397.26

There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28th February 2019 in respect of Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its effective date. The Company is consulting Legal counsel for further clarity and evaluating its impact on its financial statement, if any, and is of the view that it is only possible but not probable that outflow of economic resources will be there in this regard.

Notes to standalone financial statements as at and for the year ended 31st March 2019

29. Commitments and contingencies (Contd.)

(c) Commitments

	(₹ in lakh)	As at 31st March 2019	As at 31st March 2018
(i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)		129.04	277.53
(ii) for Investments		375.00	750.00

30. Information relating to Micro, Small and Medium Enterprises (MSME)s:

	(₹ in lakh)	As at 31st March 2019	As at 31st March 2018
(i) The principal amount and interest due there on remaining unpaid to suppliers under Micro, Small and Medium Enterprises Development Act, 2006			
Principal		65.97	-
Interest		0.25	-
(ii) The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to suppliers beyond the appointed day during the year			
Principal		-	-
Interest		-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006			
Principal		58.07	-
Interest		1.28	-
(iv) The amount of interest accrued and remaining unpaid at the end of the year being interest outstanding as at the beginning of the accounting year.		1.53	
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when interest dues above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006		1.53	-

31. Ind AS 115 - 'Revenue from contracts with customers', mandatory for reporting periods beginning on or after 1st April 2018, replaces existing revenue recognition requirements under Ind AS 18. The Company has applied the modified retrospective approach and there are no adjustments required to the retained earnings as at 1st April 2018. Further, due to the application of Ind AS 115, revenue from operations and cost of goods sold is lower by ₹ 6,680.48 lakh for the year ended 31st March 2019 on account of reclassification of certain discounts and rebates from vendors. However, this does not have any impact on the profit for the year ended 31st March 2019.

32. Contract balances

	(₹ in lakh)	As at 31st March 2019	As at 31st March 2018
Trade receivables		4,567.77	3,720.68
Contract liabilities		393.59	361.39

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

Contract liabilities include short term advances from parties for rendering various services.

Notes to standalone financial statements as at and for the year ended 31st March 2019

33. Deferred tax asset

Deferred tax asset of ₹ 40,535.34 lakh (31st March 2018: ₹ 49,737.92 lakh) relating to deductible temporary differences and unused tax losses has not been recognised in the balance sheet in the absence of evidence supporting reasonable certainty of future taxable income when such losses would be set off and deferred tax assets be realised.

Reconciliation of tax expense and accounting profit:

	(₹ in lakh)	For the period 8th February 2017 to 31st March 2018
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Accounting profit / (loss) before tax after comprehensive income	792.11	(942.92)
Tax using Company's domestic tax rate at 33.384%	264.44	-
Tax effect of amounts that are not considered in determining taxable income / loss, including difference in depreciation	(517.66)	-
MAT adjustments	394.56	-
Income tax expense recognised in profit or loss	141.34	-

34. Segment information

The Company has a single operating segment i.e. organised retailing. The Company at present operates only in India and therefore the analysis of geographical segment is not applicable to the Company.

35. Assets and Liabilities relating to employee defined benefits

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.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation are as follows:

	(₹ in lakh)	For the period 8th February 2017 to 31st March 2018
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
(a) Reconciliation of present value of defined benefit obligations		
Balance at the beginning of the period	396.32	-
Current service cost	62.88	30.91
Interest cost	18.18	14.33
Benefits paid	(320.41)	(103.64)
Acquired pursuant to the Scheme (refer note 39)	-	424.01
Actuarial (gain) / loss on defined benefit obligations	243.86	30.71
Balance at the end of the period	400.83	396.32
(b) Reconciliation of fair value of plan assets		
Balance at the beginning of the period	72.12	-
Interest income	5.55	2.14
Contributions by employer	261.52	120.00
Acquired pursuant to the Scheme (refer note 39)	-	55.68
Benefits paid	(320.41)	(103.64)
Actuarial gains / (losses)	63.25	(2.06)
Balance at the end of the period	82.03	72.12
(c) Net defined benefit liabilities / (assets)		
Present value of defined benefit obligations	400.83	396.32
Fair value of plan assets	82.03	72.12
Net defined benefit liabilities / (assets)	318.80	324.20

Notes to standalone financial statements as at and for the year ended 31st March 2019

35. Assets and Liabilities relating to employee defined benefits (Contd.)

(₹ in lakh)

	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
(d) Expense recognised in Statement of Profit or Loss		
Current service cost	62.88	30.91
Interest cost	18.18	14.33
Interest income	(5.55)	(2.14)
	75.51	43.10
(e) Remeasurement recognised in Other Comprehensive Income		
Actuarial (gain) / loss on defined benefit obligations	243.86	30.71
Actuarial (gain) / loss on plan assets	(63.25)	2.06
	180.61	32.77

(f) The major category of plan assets as a percentage of the fair value of total plan assets are as follows:

	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Investments with insurer	100%	100%

(g) Actuarial assumptions

	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Discount rate	7.70%	7.70%
Expected rate of return on assets	7.70%	7.70%
Future compensation growth	4.60%	4.60%
Average expected future service	23 years	24 years
Employee turnover	Ranging grade wise from 12% to 67%	Ranging grade wise from 12% to 67%

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2006-08 - ultimate).

- (h) 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.
- (i) The Company expects to contribute ₹ 18.84 lakh (31st March 2018: ₹ 17.85 lakh) to gratuity fund in the next year.
- (j) Contribution to Provident and Other Funds includes ₹ 454.27 lakh (31st March 2018: ₹ 266.83 lakh) paid towards defined contribution plans.

(k) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

(₹ in lakh)

	As at 31st March 2019		As at 31st March 2018	
	Increase	Decrease	Increase	Decrease
(i) Discount rate (0.5% movement)	21.04	(22.88)	21.02	(22.86)
(ii) Future salary (0.5% movement)	(23.10)	21.39	(23.08)	21.36
(iii) Mortality (10% movement)	(0.69)	0.67	(0.68)	0.67
(iv) Attrition rate (0.5% movement)	(1.85)	1.85	(2.05)	2.04

Notes to standalone financial statements as at and for the year ended 31st March 2019

35. Assets and Liabilities relating to employee defined benefits (*Contd.*)

(I) Estimated future payments of undiscounted gratuity is as follows:

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Within 12 months	41.85	17.85
Between 2 and 5 years	85.44	89.69
Between 6 and 10 years	183.66	190.34
Beyond 10 years	799.39	855.07
	1,110.34	1,152.95

36. Related party disclosure

(a) Related parties where control exists:

- (i) Subsidiary

1) Omnipresent Retail India Private Limited

(b) Other related parties (where transactions have taken place during the year or previous year / balances outstanding):

- (i) Promoter holding more than 20%

1) Rainbow Investments Limited

(Parent-under de facto control as defined in Ind AS-110)

- (ii) Subsidiaries and jointly controlled entities of promoters - Promoter Group (where transactions have taken place during the year or previous year / balances outstanding):

1) Au Bon Pain Café India Limited
2) Bowlopedia Restaurants India Limited
3) CESC Limited
4) First Source Solutions Limited
5) Guiltfree Industries Limited
6) Kolkata Games and Sports Private Limited

7) Open Media Network Private Limited
8) Phillips Carbon Black Limited
9) Quest Properties India Limited
10) RPG Power Trading Co. Limited
11) Saregama India Limited
12) Duncan Brothers & Co. Limited

- (iii) Key Managerial Personnel

1) Sunil Bhandari - Director (upto 14th November 2018)	8) Rekha Sethi - Independent Director (w.e.f. 14th November 2018)
2) Gautam Ray - Director (upto 14th November 2018)	9) Rahul Nayak - Whole-time Director (w.e.f. 14th November 2018)
3) Rajarshi Banerjee - Director (upto 27th November 2018)	10) Arvind Kumar Vats - Chief Financial Officer (w.e.f. 14th November 2018)
4) Sanjiv Goenka - Non-Executive Director (w.e.f 14th November 2018)	11) Debanjan Mandal - Indipendent Director (w.e.f. 11th February, 2019)
5) Shashwat Goenka - Non-Executive Director (w.e.f. 14th November 2018)	12) Devendra Chawla - Chief Executive Officer & Managing Director (w.e.f. 11th February, 2019)
6) Utsav Parekh - Independent Director (w.e.f. 14th November 2018)	13) Rama Kant - Company Secretary (w.e.f. 11th February, 2019)
7) Pratip Chadhuri - Independent Director (w.e.f. 14th November 2018)	14) Navin Kumar Rathi - Company Secretary (from 14th November 2018 upto 10th February 2019)

Notes to standalone financial statements as at and for the year ended 31st March 2019

36. Related party disclosure (Contd.)

(c) Details of transactions entered into with the related parties:

(₹ in lakh)

	Subsidiary		Promoter Group		Key Managerial Personnel	
	For the year ended 31st March 2019	For the period 8th February to 31st March 2018	For the year ended 31st March 2019	For the period 8th February to 31st March 2018	For the year ended 31st March 2019	For the period 8th February to 31st March 2018
	Transactions:					
Acquisition of investment	625.00	416.02	-	-	-	-
Sale of goods	1.04	0.54	110.36	51.68	-	-
Purchases of stock-in-trade	-	-	288.38	106.21	-	-
Rendering of services	-	-	801.59	66.48	-	-
Receiving of services	552.15	133.81	-	-	-	-
Purchase of property and other assets	-	-	-	4.68	-	-
Reimbursements	0.50	11.45	458.88	318.67	-	-
Electricity expense	-	-	170.14	60.06	-	-
Rent expense	-	-	677.29	329.97	-	-
Security deposits paid	-	-	1.82	107.94	-	-
Security deposits received	-	-	1.93	61.67	-	-
Short term employee benefits	-	-	-	-	143.46	-
Retirement benefits	-	-	-	-	14.35	-
Reimbursement of expenses	-	-	-	-	6.86	-
Sitting fees to directors	-	-	-	-	8.00	-
Balances outstanding:	-	-	-	-	-	-
Investments	5,443.48	4,818.48	-	-	-	-
Receivable against sale of goods	-	-	3.13	0.62	-	-
Receivable against rendering of services	-	0.18	288.51	356.31	-	-
Payable for purchases of stock-in-trade	-	-	42.68	44.85	-	-
Receivable against reimbursement	-	-	46.51	301.84	-	-
Payable for services received	90.78	29.43	163.86	268.38	-	-
Payable for purchase of property and other assets	-	-	-	4.68	-	-
Security deposit receivable	-	-	134.05	132.23	-	-
Security deposit payable	-	-	62.91	64.84	-	-

Notes:

- (i) The Company's principal related parties consist of Rainbow Investments Limited, its subsidiaries, its own subsidiary and key managerial personnel. The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enters into transactions in the ordinary course of business.
- (ii) Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

37. Financial instruments - fair value measurements and risk management

(a) Accounting classification

The following table shows the carrying amounts and fair values of financial assets and financial liabilities:

(₹ in lakh)

	As at 31st March 2019				As at 31st March 2018			
	Amortised cost	FVTPL	FVTOCI	Total	Amortised cost	FVTPL	FVTOCI	Total
Financial assets								
Investments	-	-	5,444.58	5,444.58	-	-	4,819.58	4,819.58
- Equity shares (unquoted)	-	-	5,444.58	5,444.58	-	-	4,819.58	4,819.58
- Alternative Investment Fund	-	1,275.21	-	1,275.21	-	684.16	-	684.16
- Mutual fund	-	983.39	-	983.39	-	-	-	-
Trade receivables	4,567.77	-	-	4,567.77	3,720.68	-	-	3,720.68
Cash and cash equivalents	2,802.52	-	-	2,802.52	1,928.13	-	-	1,928.13

Notes to standalone financial statements as at and for the year ended 31st March 2019

37. Financial instruments - fair value measurements and risk management (Contd.)

(₹ in lakh)

	As at 31st March 2019				As at 31st March 2018			
	Amortised cost	FVTPL	FVTOCI	Total	Amortised cost	FVTPL	FVTOCI	Total
Other bank balances	19,101.32	-	-	19,101.32	8,000.00	-	-	8,000.00
Loans and deposits	3,362.17	-	-	3,362.17	2,975.75	-	-	2,975.75
Other financial assets	316.28	-	-	316.28	17,734.27	-	-	17,734.27
Total financial assets	30,150.06	2,258.60	5,444.58	37,853.24	34,358.83	684.16	4,819.58	39,862.57
Financial liabilities								
Preference shares	85.47	-	-	85.47	78.04	-	-	78.04
Trade payables	31,244.52	-	-	31,244.52	27,954.09	-	-	27,954.09
Other financial liabilities	2,110.73	-	-	2,110.73	1,362.72	-	-	1,362.72
Total financial liabilities	33,440.72	-	-	33,440.72	29,394.85	-	-	29,394.85

(b) Measurement of fair values

The fair values of financial assets and liabilities are included at the amount that would be received on sale of asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent in all the years. The following methods and assumptions were used to estimate the fair values:

- (i) In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units at the close of the reporting date. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors. Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds. In respect of investments in alternative investment funds, fair values are based on net asset value as at the reporting date. In respect of investment in equity shares, fair values are determined using valuation techniques by Independent Valuers.
- (ii) The carrying amount of trade receivables, cash and cash equivalents, other bank balances, loans and deposits, other financial assets, trade payables and other financial liabilities, measured at amortised cost in the financial statements, approximate to their fair values largely due to the short-term maturities of these instruments. Carrying amount of Preference shares is based on discounted cash flows using effective interest rate at the time of issue which is a reasonable approximation of its fair value and the difference between the carrying amount and fair value is not expected to be significant.

(c) Fair value hierarchy

The table shown below analysis financial instruments carried at fair value, by valuation method.

(₹ in lakh)

	As at 31st March 2019				As at 31st March 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments								
- Equity shares (unquoted)	-	-	5,444.58	5,444.58	-	-	4,819.58	4,819.58
- Alternative Investment Fund	-	-	1,275.21	1,275.21	-	-	684.16	684.16
- Mutual fund	983.39	-	-	983.39	-	-	-	-
	983.39	-	6,719.79	7,703.18	-	-	5,503.74	5,503.74

The different levels have been defined below:

- (i) **Level 1 (quoted prices in active market):** This level of hierarchy includes financial assets that are measured using quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes listed equity instruments which are traded in the stock exchanges and mutual funds that have net asset value as stated by the issuers in the published statements. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net assets value.

Notes to standalone financial statements as at and for the year ended 31st March 2019

37. Financial instruments - fair value measurements and risk management (Contd.)

(ii) **Level 2 (valuation technique with significant observable inputs):** This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

(iii) **Level 3 (valuation technique with significant unobservable inputs):** This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This is the case for unlisted equity securities included in Level 3.

(d) **Reconciliation of fair value measurement of unquoted equity shares (categorised as level 3 above) classified as FVTOCI assets:**

	(₹ in lakh)
As at 31st March 2018	Unquoted equity shares
Invested during the year	625.00
As at 31st March 2019	5,444.58

(e) Financial risk management

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

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

The Company's principal financial liabilities comprises of preference shares, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance and support the operations of the Company. The Company's principal financial assets include trade and other receivables, loans and deposits, investments and cash & cash equivalents that derive directly from its operations.

The Company's primary risk management focus is to minimise potential adverse effects of these risks by managing them through a structured process of identification, assessment and prioritisation of risks followed by co-ordinated efforts to monitor, minimize and mitigate the impact of such risks on its financial performance and capital. For this purpose, the Company has laid comprehensive risk assessment and minimisation/mitigation procedures, which are reviewed by the Audit Committee and approved by the Board from time to time. These procedures are reviewed regularly to reflect changes in market conditions and to ensure that risks are controlled by way of properly defined framework.

(i) Credit risk

Credit risk is the risk of financial loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from operating activities (primarily trade receivable and deposits) and from its investing activities (primarily banks deposits and investments).

Since the Company operates on a business model primarily of cash and carry, the credit risk from receivable perspective is limited due to the Company's customer base being large and diverse.

Credit risk on cash and cash equivalents and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. Loans and deposits primarily represents security deposits given. The credit risk associated with such security deposits is relatively low.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company manages its liquidity risk on the basis of the business plan that ensures that the funds required for financing the business operations and

Notes to standalone financial statements as at and for the year ended 31st March 2019

37. Financial instruments - fair value measurements and risk management (Contd.)

meeting financial liabilities are available in a timely manner. The Management regularly monitors rolling forecasts of the Company's liquidity position to ensure it has sufficient cash on an ongoing basis to meet operational fund requirements. The surplus cash generated, over and above the operational fund requirement is invested in bank deposits and mutual fund schemes of highly liquid nature to optimize cash returns while ensuring adequate liquidity for the Company.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flow amounts are gross and undiscounted:

Financial liabilities	Carrying amount	Contractual cash flows			(₹ in lakh)
		Within 1 year	1 to 5 years	More than 5 years	
As at 31st March 2019					
Preference shares	85.47	-	-	500.00	500.00
Trade payables	31,244.52	31,244.52	-	-	31,244.52
Other financial liabilities	2,110.73	2,110.73	-	-	2,110.73
	33,440.72	33,355.25	-	500.00	33,855.25
As at 31st March 2018					
Preference shares	78.04	-	-	500.00	500.00
Trade payables	27,954.09	27,954.09	-	-	27,954.09
Other financial liabilities	1,362.72	1,362.72	-	-	1,362.72
	29,394.85	29,316.81	-	500.00	29,816.81

(iii) Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments may fluctuate because of changes in market conditions. Market risk broadly comprises three types of risks namely currency risk, interest rate risk and security price risk. The Company does not have any loans and borrowings and thus interest rate risk is not applicable to the Company.

The Company invests its surplus funds mainly in short term liquid schemes of mutual funds and bank fixed deposits. The Company manages its price risk arising from these investments through diversification and by placing limits on individual and total equity instruments / mutual funds.

38. Capital management

For the purpose of the Company's capital management, capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure while maximising shareholder value. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to safeguard its ability to continue as a going concern and to maintain investor, creditors and market confidence.

39. The Company, in the financial statements for the year ended 31st March 2018, had given effect to the composite scheme of arrangement approved by Hon'ble National Company Law Tribunal (NCLT) (the appropriate authority), as applicable to the Company from the Appointed Date of 1st October 2017.

Pursuant to the Scheme, each existing shareholder of CESC Limited registered on the record date of 31st October 2018 in respect of every 10 shares, received 6 fully paid up equity shares of ₹ 5 each in Spencer's Retail Limited (formerly known as RP-SG Retail Limited) and CESC Limited received 500,000 fully paid up 0.01% non-cumulative compulsorily redeemable preference shares of ₹100 each of Spencer's Retail Limited (formerly known as RP-SG Retail Limited).

Notes to standalone financial statements as at and for the year ended 31st March 2019

40. Previous period figures have been regrouped/reclassified wherever necessary to correspond with current period classification / disclosure. Further, the figures appearing in the Statement of Profit and Loss for the period ended 31st March 2018 includes the operations of the Retail Undertakings(s) (refer note 39 above) from 1st October 2017 and hence current period figures are not comparable with previous period figures.

For Batliboi, Purohit & Darbari
Chartered Accountants
Firm registration number - 303086E

Hemal Mehta
Partner
Membership number - 063404

Place: Kolkata
Date: 17th May 2019

For and on behalf of Board of Directors

Devendra Chawla
Chief Executive Officer
and Managing Director
DIN: 03586196

Rahul Nayak
Whole-time Director
DIN: 06491536

Place: Kolkata
Date: 17th May 2019

Shashwat Goenka
Director
DIN: 03486121

Rama Kant
Company Secretary

Sanjiv Goenka
Chairman
DIN: 00074796

Arvind Kumar Vats
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of Spencer's Retail Limited (formerly known as RP-SG Retail Limited)

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Spencer's Retail Limited (formerly known as RP-SG Retail Limited) (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the consolidated Balance Sheet as at March 31, 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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 consolidated state of affairs of the Group, as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of

our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>Impairment Testing for Brand (as described in note 4 of the consolidated Ind AS financial statements)</p> <p>The Company has an acquired brand as at March 31, 2019 assessed to be with indefinite life. As required by Ind AS, such brand is tested for impairment every year as stated in the accounting policy note no. 2.2(d) of the consolidated Ind AS financial statements.</p> <p>For this assessment, the Company engages a valuer to determine the recoverable value of brand using the discounted cash flow method of valuation, which is highly sensitive to changes in inputs used in valuation and involves judgement due to inherent uncertainty in the assumptions used for forecasting the future cash flows.</p> <p>Accordingly, impairment testing for brand is determined to be a key audit matter in our audit of the consolidated Ind AS financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• We evaluated the objectivity and competence of the external valuation specialist involved for such valuation and obtained confirmation of independence from them.• We discussed with the management the methodology and assumptions used in the valuation including, discount rates, expected growth rates and terminal growth rates.• We obtained suitable management representation on the projections of future cash flows and the various assumptions used in the valuation.

Key audit matters	How our audit addressed the key audit matter
<p>Provision for slow moving and obsolete inventories (as described in note 5 of the consolidated Ind AS financial statements)</p> <p>Significant judgement is required in assessing the appropriate level of provision required for slow moving and/or obsolete inventory. Such judgement includes management's expectations of forecasted inventory demand, product expiry dates, ageing of inventories and plans to dispose-off inventories.</p> <p>As a result, we consider the provisioning for slow moving and obsolete inventories to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We assessed reasonableness of the allowance policy based on historical sales performance of the products, the outlook of the industry and expectations to sell aged inventories. • We tested, on sample basis, the ageing of the inventories and the computation of the obsolescence level. • We reviewed next year's budget to gain an understanding of the forecast inventory demand and inventories disposal plans for slow-moving/obsolete items to test that the provision for slow moving and obsolete inventories was reasonable.

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, Management Discussion and Analysis, Report on Corporate Governance, Additional Shareholder's Information, Report on Corporate Social Responsibility and Statement containing salient features of the financial statement of subsidiary, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles

generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

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

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to

fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and by the Board of Directors of the subsidiary company the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary company, none of the directors of the Group's companies, incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary company, incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company, its subsidiary incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – refer note 29 (b) to the consolidated Ind AS financial statements;
- ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary incorporated in India during the year ended March 31, 2019.

For Batliboi, Purohit & Darbari

Chartered Accountants

Firm Registration Number: 303086E

Hemal Mehta

Partner

Membership number: 063404

Place: Kolkata

Date: 17th May 2019

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SPENCER'S RETAIL LIMITED (FORMERLY KNOWN AS RP-SG 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")

In conjunction with our audit of the consolidated financial statements of Spencer's Retail Limited (formerly known as RP-SG Retail Limited) as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Spencer's Retail Limited (formerly known as RP-SG Retail Limited) (hereinafter referred to as the "Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements 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, both, issued by Institute of Chartered

Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to these consolidated financial statements 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 over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, 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 over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements 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 with reference to these consolidated financial statements 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 With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, 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 with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements 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 Holding Company, its subsidiary company, which are companies incorporated in India, have maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding 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 Batliboi, Purohit & Darbari

Chartered Accountants

Firm Registration Number: 303086E

Hemal Mehta

Partner

Membership number: 063404

Place: Kolkata

Date: 17th May 2019

Consolidated Balance Sheet as at 31st March 2019

(₹ in lakh)

	Note	As at 31st March 2019	As at 31st March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	16,706.17	14,244.78
Capital work-in-progress		105.71	15.04
Intangible assets	4	9,566.82	9,626.51
Financial assets			
(i) Investments	6	1,276.21	685.16
(ii) Loans and deposits	10	3,362.17	2,984.98
(iii) Other financial assets	11	175.23	17,030.90
Non-current tax assets (net)		826.19	289.21
Other non-current assets	12	2,107.09	1,778.23
Total non-current assets		34,125.59	46,654.81
Current assets			
Inventories	5	26,982.13	24,249.13
Financial assets			
(i) Investments	6	983.39	-
(ii) Trade receivables	7	4,476.99	3,720.68
(iii) Cash and cash equivalents	8	2,826.95	1,940.90
(iv) Other bank balances	9	19,162.56	8,059.79
(v) Loans and deposits	10	-	0.93
(vi) Other financial assets	11	143.39	703.78
Current tax assets (net)		11.37	7.44
Other current assets	12	2,643.61	2,010.74
Total current assets		57,230.39	40,693.39
TOTAL ASSETS		91,355.98	87,348.20
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13	3,976.71	-
Equity share capital suspense	13	-	3,976.71
Other equity	14	50,835.79	50,735.48
Total equity		54,812.50	54,712.19
LIABILITIES			
Non-current liabilities			
Financial liabilities	15	85.47	78.04
Provisions	19	822.73	824.73
Total non-current liabilities		908.20	902.77
Current liabilities			
Financial liabilities			
(i) Trade payables	16	67.50	-
- Total outstanding dues of Micro and small enterprises		31,137.46	28,021.99
- Total outstanding dues of creditors other than Micro and small enterprises		2,134.94	1,465.75
(ii) Other financial liabilities	17	874.18	749.08
Other current liabilities	18	1,421.20	1,496.42
Provisions	19	35,635.28	31,733.24
Total current liabilities		91,355.98	87,348.20

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

This is the consolidated balance sheet referred to in our report of even date.

For Batliboi, Purohit & Darbari

Chartered Accountants

Firm registration number - 303086E

For and on behalf of Board of Directors

Hemal Mehta

Partner

Membership number - 063404

Devendra Chawla

Chief Executive Officer
and Managing Director
DIN: 03586196

Shashwat Goenka

Director
DIN: 03486121

Sanjiv Goenka

Chairman
DIN: 00074796

Rahul Nayak

Whole-time Director
DIN: 06491536

Rama Kant

Company Secretary

Arvind Kumar Vats

Chief Financial Officer

Place: Kolkata

Date: 17th May 2019

Place: Kolkata

Date: 17th May 2019

Consolidated Statement of Profit and Loss for the year ended 31st March 2019

(₹ in lakh)

	Note	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Income			
Revenue from operations	20	2,18,718.04	1,04,285.96
Other income	21	2,814.94	902.35
Total (I)		2,21,532.98	1,05,188.31
Expenses			
Purchases of stock-in-trade		1,74,079.09	83,929.59
Cost of raw materials consumed	22	687.07	475.93
Changes in inventories of stock-in-trade and finished goods	23	(2,500.33)	(659.65)
Employee benefits expense	24	14,757.69	7,602.21
Other expenses	25	30,803.53	13,384.39
Total (II)		2,17,827.05	1,04,732.47
Earnings before interest, tax, depreciation and amortisation (EBITDA) [(I)-(II)]		3,705.93	455.84
Depreciation and amortisation	26	2,542.91	1,488.30
Finance costs	27	745.06	380.23
Profit / (loss) before tax (III)		417.96	(1,412.69)
Tax expense			
Current tax - minimum alternative tax		178.52	-
Profit / (loss) for the period (IV)		239.44	(1,412.69)
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plans		(139.13)	(29.44)
[net of tax of ₹ 37.18 lakh (previous period: Nil)]			
Other Comprehensive Income for the period (V)		(139.13)	(29.44)
Total Comprehensive Income for the period [(IV)+(V)]		100.31	(1,442.13)
Earnings per share - Basic and Diluted	28	0.30	(4.07)
[Nominal value per equity share ₹ 5 (31st March 2018: ₹ 5)]			

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

This is the consolidated statement of profit and loss referred to in our report of even date.

For Batliboi, Purohit & Darbari

Chartered Accountants

Firm registration number - 303086E

For and on behalf of Board of Directors**Hemal Mehta**

Partner

Membership number - 063404

Devendra ChawlaChief Executive Officer
and Managing Director
DIN: 03586196**Shashwat Goenka**Director
DIN: 03486121**Sanjiv Goenka**Chairman
DIN: 00074796**Rahul Nayak**Whole-time Director
DIN: 06491536**Rama Kant**

Company Secretary

Arvind Kumar Vats

Chief Financial Officer

Place: Kolkata

Date: 17th May 2019

Place: Kolkata

Date: 17th May 2019

Consolidated Statement of Changes in Equity for the year ended 31st March 2019

A. Equity share capital

	31st March 2019		31st March 2018	
	No. of shares	₹ in lakh	No. of shares	₹ in lakh
Balance at the beginning of the period	-	-	50,000	5.00
Equity shares cancelled pursuant to the Scheme (refer note 39)	-	-	(50,000)	(5.00)
Equity shares allotted pursuant to the Scheme (refer note 39)	7,95,34,226	3,976.71	-	-
Balance at the end of the period	7,95,34,226	3,976.71	-	-

B. Equity share capital suspense

	31st March 2019		31st March 2018	
	No. of shares	₹ in lakh	No. of shares	₹ in lakh
Balance at the beginning of the period	7,95,34,226	3,976.71	-	-
Equity share capital pending for allotment	-	-	7,95,34,226	3,976.71
Equity shares allotted pursuant to the Scheme (refer note 39)	(7,95,34,226)	(3,976.71)	-	-
Balance at the end of the period	-	-	7,95,34,226	3,976.71

C. Other equity

	(₹ in lakh)		
	Reserves and Surplus		Total
	Capital reserve	Retained earnings	
Balance as at 8th February 2017	-	-	-
Arisen pursuant to the Scheme (refer note 39)	56,133.85	(3,956.24)	52,177.61
Loss for the period	-	(1,412.69)	(1,412.69)
Remeasurement of defined benefit plans	-	(29.44)	(29.44)
Balance as at 31st March 2018	56,133.85	(5,398.37)	50,735.48
Profit for the year	-	239.44	239.44
Remeasurement of defined benefit plans	-	(139.13)	(139.13)
Balance as at 31st March 2019	56,133.85	(5,298.06)	50,835.79

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

This is the consolidated statement of changes in equity referred to in our report of even date.

For Batliboi, Purohit & Darbari

Chartered Accountants

Firm registration number - 303086E

Hemal Mehta

Partner

Membership number - 063404

For and on behalf of Board of Directors

Devendra Chawla

Chief Executive Officer
and Managing Director
DIN: 03586196

Shashwat Goenka

Director
DIN: 03486121

Sanjiv Goenka

Chairman
DIN: 00074796

Rahul Nayak

Whole-time Director
DIN: 06491536

Rama Kant

Company Secretary

Arvind Kumar Vats

Chief Financial Officer

Place: Kolkata

Date: 17th May 2019

Place: Kolkata

Date: 17th May 2019

Consolidated Cash Flow Statement for the year ended 31st March 2019

(₹ in lakh)

	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
OPERATING ACTIVITIES		
Profit / (loss) before tax	417.96	(1,412.69)
Adjustments:		
Depreciation and amortisation	2,542.91	1,488.30
Provision for bad and doubtful debts	94.24	84.11
Provision for decommissioning liability	53.62	16.09
Provision for obsolete stocks	222.71	246.84
Interest expense	45.14	22.48
Fair value gain on investments	(247.04)	-
Gain on sale of investments	(100.92)	(62.41)
Interest income	(1,828.76)	(813.47)
Net (gain) / loss on sale of property, plant and equipment	(27.28)	3.48
Cash generated from operations before working capital changes	1,172.58	(427.27)
Working capital changes:		
(Increase) in inventories	(2,955.71)	(643.14)
(Increase) / decrease in trade receivables	(850.55)	184.36
(Increase) / decrease in loans and deposits	(376.26)	153.14
Decrease in other financial assets	216.19	1,138.46
(Increase) in other assets	(1,656.98)	(134.76)
Increase / (decrease) in trade payables	3,182.97	(1,646.86)
Increase / (decrease) in financial liabilities	160.41	(3,289.83)
Increase / (decrease) in other current liabilities	125.10	(29.63)
(Decrease) in provisions	(305.51)	(82.60)
Net cash used in operating activities (A)	(1,287.76)	(4,778.13)
INVESTING ACTIVITIES		
Purchase of property, plant and equipments, including intangible assets, capital work in progress and capital advances	(4,581.38)	(750.97)
Proceeds from sale of property, plant and equipments	65.41	8.45
Investments in alternative investment fund	(375.00)	(375.00)
Proceeds from redemption of alternative investment fund	29.06	-
Purchase of mutual fund units	(18,418.07)	(15,355.29)
Proceeds from sale of mutual fund units	17,537.53	15,962.40
Investments in bank deposits	(34,424.80)	(59,991.87)
Redemption / maturity of bank deposits	40,329.41	40,995.77
Interest received	2,021.25	567.02
Net cash flow from / (used in) investing activities (B)	2,183.41	(18,939.49)

Consolidated Cash Flow Statement for the year ended 31st March 2019

	(₹ in lakh)	
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	5.00
Setoff / proceeds / (repayment) from short-term borrowings (net)	-	3,797.00
Interest paid	(9.60)	(18.81)
Net cash (used in) / flow from financing activities (C)	(9.60)	3,783.19
Net increase / (decrease) in Cash and Cash equivalents (A+B+C)	886.05	(19,934.43)
Cash and cash equivalents acquired pursuant to the Scheme (refer note 39)	-	21,875.33
Cash and cash equivalents at the beginning of the period	1,940.90	-
Cash and cash equivalents at the end of the period	2,826.95	1,940.90
Components of cash and cash equivalents:		
Balance with banks in current accounts	1,384.90	1,168.67
Balance with credit card, e-wallet companies and others	777.31	405.99
Cash on hand	664.74	366.24
Total cash and cash equivalents (refer note 8)	2,826.95	1,940.90

Change in liability arising from financing activities: (₹ in lakh)

Particulars	As at 1st April 2018	Cash flows	Non-cash changes	As at 31st March 2019
Financial liabilities	78.04	-	7.43	85.47

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

This is the consolidated cash flow statement referred to in our report of even date.

For Batliboi, Purohit & Darbari

Chartered Accountants

Firm registration number - 303086E

Hemal Mehta

Partner

Membership number - 063404

For and on behalf of Board of Directors

Devendra Chawla

Chief Executive Officer
and Managing Director
DIN: 03586196

Shashwat Goenka

Director
DIN: 03486121

Sanjiv Goenka

Chairman
DIN: 00074796

Rahul Nayak

Whole-time Director
DIN: 06491536

Rama Kant

Company Secretary

Arvind Kumar Vats

Chief Financial Officer

Place: Kolkata

Date: 17th May 2019

Place: Kolkata

Date: 17th May 2019

Notes to consolidated financial statements as at and for the year ended 31st March 2019

1. Corporate Information

These consolidated financial statements ("financial statements") comprise financial statements of Spencer's Retail Limited (formerly known as RP-SG Retail Limited) ("the Company") and its subsidiary (collectively, "the Group") as at and for the year ended 31st March 2019. The Company is a public limited company incorporated under the provisions of the Companies Act, 2013 ("the Act") under the corporate identity number L74999WB2017PLC219355 having its registered office at Duncan House, 31, Netaji Subhas Road, Kolkata - 700001. The name of the Company was changed from "RP-SG Retail Limited" to "Spencer's Retail Limited" vide certificate of incorporation pursuant to change of name issued by the Registrar of Companies, Kolkata dated 13th December 2018.

The Group is primarily engaged in developing, conducting, investing and promoting organised retail and operates departmental and neighbourhood stores under various formats across the country.

2.1 Basis of preparation

(a) Statement of compliance

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules 2015, as amended, notified under Section 133 and other relevant provisions of the Act.

These consolidated financial statements of the Group for the year ended 31st March 2019 were approved by the Board of Directors in their meeting held on 17th May 2019.

(b) Basis of measurement

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

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Spencer's Retail Limited (formerly known as RP-SG Retail Limited) and its wholly owned subsidiary, namely, Omnipresent Retail India Private Limited, which is fully consolidated.

The Group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and are presented, to the extent possible, in the same manner as the parent and subsidiaries' financial statements. The financial statements of the entity used for the purpose of consolidation are drawn up to same reporting date as that of the parent company.

(d) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), which is also the Group's functional currency. All amounts have been rounded off to the nearest lakh, unless otherwise indicated.

(e) Use of estimates and judgements

The preparation of these consolidated financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, incomes, expenses and the accompanying disclosures in the consolidated financial statement. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

Notes to consolidated financial statements as at and for the year ended 31st March 2019

- (i) Useful life and residual value of property, plant and equipment and intangible assets - Note 3 & 4
- (ii) Determining the fair values of investments - Note 6
- (iii) Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources - Note 19 & 29.(b)
- (iv) Measurement of defined benefit obligations: key actuarial assumptions - Note 35.
- (v) Impairment of financial assets: key assumptions used in estimating recoverable cash flows - Note 37.
- (vi) Non recognition of deferred tax assets - Note 33.

2.2 Significant accounting policies

(a) Current and non-current classification

All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III of the Act. Based on the nature of products and the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as upto 12 months for the purpose of current/non-current classification of assets and liabilities.

(b) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of initial transaction. Exchange differences are recognised in the Statement of Profit and Loss in the period in which they arise.

(c) Property, plant and equipment [PPE]

(i) Recognition and measurement

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

The cost of an item of property, plant and equipment comprises its purchase price inclusive of duties, taxes, after deducting trade discounts and rebates, incidental expenses, erection/ commissioning expenses, borrowing cost, any directly attributable cost of bringing the item to its working condition for its intended use and costs of dismantling and removing the item and restoring the site on which it is located.

Expenditure incurred in setting up of stores are capitalised 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. 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.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and Loss.

Property, plant and equipment under construction are disclosed as Capital work-in- progress.

(ii) Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight line method to allocate their cost, net of their residual values on the basis of useful lives prescribed in Schedule II to the Act and based on management's estimate of useful lives. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Notes to consolidated financial statements as at and for the year ended 31st March 2019

Depreciation is calculated on a straight line basis using the rates arrived based on the useful lives estimated by the management, which are as follows:

Class of assets	Management estimate of useful life
Computer hardwares	3 to 6 years
Furniture and fixtures	3 to 15 years
Vehicles	5 years
Office equipments	5 years
Plant and machineries	15 to 25 years

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.

(iii) Capital work-in-progress (CWIP)

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Directly attributable expenditure incurred on project under implementation are treated as pre-operative expenses pending allocation to the asset and are shown under CWIP.

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost, which includes purchase price and any cost directly attributable to bringing the asset to the conditions necessary for it to be capable of operating in the manner intended by management. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

All relatable expenditure incurred with respect to developing designs which are capable of being used for more than one season are capitalised and amortised over the useful period of the design.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite life intangible assets are amortised on a straight-line basis over the period of their expected useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Class of assets	Management estimate of useful life
Computer softwares	6 years
Know-how and licenses	10 years
Designs	3 years

The amortisation period and the amortisation method for finite life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates. The Group has considered infinite life for acquired brand.

(e) Inventories

Traded goods, finished goods and packing materials are valued at lower of cost and net realisable value. Cost of inventories comprise costs of purchase, conversion costs and other costs incurred in bringing the inventories to their present condition and location. Cost is determined under moving weighted average method. Costs of purchased inventory are determined after deducting rebates and discounts.

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.

Notes to consolidated financial statements as at and for the year ended 31st March 2019

Obsolete, slow moving and damaged stock is valued at lower of cost less provision and net realisable value. Such inventories are identified from time to time and where necessary a provision is made for such inventories.

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

(f) Financial instruments

(i) Financial Assets

The financial assets are classified in the following categories:

- financial assets measured at amortised cost,
- financial assets measured at fair value through profit and loss, and
- investment in equity instruments

The classification of financial assets depends on the Group's business model for managing financial assets and the contractual terms of the cash flow. At initial recognition, the financial assets are measured at its fair value.

Financial assets measured at amortised cost - Assets that are held for collection of contractual cash flows and where those cash flows represent solely payments of principal and interest are measured at amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method. The losses arising from impairment, if any, are recognised in the Statement of Profit or Loss.

Financial instruments measured at fair value through profit and loss - Financial instruments included within fair value through profit and loss category are measured initially as well as at each reporting period at fair value plus transaction costs as applicable. Fair value movements are recorded in the Statement of Profit and Loss. Investments in units of mutual funds are accounted for at fair value and the changes in fair value are recognised in the Statement of Profit and Loss.

Investment in equity Instruments - Equity investments in scope of Ind AS 109 are measured at fair value. At initial recognition, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(ii) Financial Liabilities

Financial liabilities are measured at amortised cost using the effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amount approximates fair value to short-term maturity of these instruments. A financial liability (or a part of financial liability) is de-recognised from Group's balance sheet when obligation specified in the contract is discharged or cancelled or expired.

(iii) Offsetting financial instruments

Financial assets and liabilities are off set and the net amount is reported in the balance sheet where there is a legally enforceable right to off set the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events.

(g) Cash and cash equivalents

Cash and cash equivalent 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) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as and when the related services are provided. A liability is recognised for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Notes to consolidated financial statements as at and for the year ended 31st March 2019

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays a fixed contribution and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to provident and superannuation fund are recognised as an employee benefit expense in Statement of Profit and Loss when the contributions to the respective funds are due.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plans.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses due to experience adjustments, changes in actuarial assumptions and the return on plan assets (excluding interest) are recognised in Other comprehensive income (OCI). Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

(iv) Compensated absences

The employees of the Group are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is measured on the basis of an annual independent actuarial valuation using the projected unit credit method, for the unused entitlement that has accumulated as at the balance sheet date. Non-accumulating compensated absences are recognised in the period in which the absences occur.

(i) Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

(j) Contingent liabilities

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is possible. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

(k) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue recognised from the sale of products is measured at the fair value of the consideration received or receivable, net of returns and trade discounts. The Group collects Goods and Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Accordingly, they are excluded from revenue.

Where the Group is the principal in the transaction, the sales are recorded at their gross values. Where the Group is effectively the agent in the transaction, the cost of the merchandise is disclosed as a deduction from the gross value.

Notes to consolidated financial statements as at and for the year ended 31st March 2019

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

The Group has contracts with concessionaire whereby it facilitates in the sale of products of these concessionaires. Thus, the Group is an agent and records revenue at the net amount that it retains for its agency services.

Any amounts received from merchandiser for which the Group does not provide any distinct good or service are considered as a reduction of purchase costs.

Other operating revenue

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

(l) Interest income

Interest income is recognised based on time proportion basis considering the amount outstanding and using the effective interest rate (EIR). Interest income is included as other income in the Statement of Profit and Loss.

(m) Expenses

All expenses are accounted for on accrual basis.

(n) 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 Group 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 Group as per specific lease terms.

(o) Income tax

(i) Current tax

Current income tax is measured at the amount expected to be paid, if any to the tax authorities in accordance with Indian Income Tax Act, 1961. 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.

(ii) 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.

(p) Business combination

Business combination involving entities or businesses under common control are accounted for using the pooling of interest method whereby the assets and liabilities of the combining entities / business are reflected at their carrying value and necessary adjustments, if any, have been given effect to as per the scheme approved by National Company Law Tribunal.

(q) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes to consolidated financial statements as at and for the year ended 31st March 2019

(r) Measurement of EBITDA

The Group 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.

(s) Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA) has notified Ind AS 116 - Leases in March 2019 which replaces the existing Ind AS 17. The amendment came into force from accounting period commencing on or after 1st April 2019. The Group is in the process of assessing the possible impact of Ind AS 116 - Leases and will adopt the amendments on the required effective date.

(t) Changes in accounting policies and disclosures due to new and amended standards

Ind AS 115 - Revenue from Contracts with Customers was issued on 28th March 2018 and supersedes Ind AS 18. The Group has adopted Ind AS 115 using the modified retrospective approach. The nature and effect of the changes as a result of adoption of Ind AS 115 are described in note 31.

Following are the other amendments and interpretations issued for the year ended 31st March 2019, but either are not applicable to the Group or does not have a material impact on these consolidated financial statements of the Group:

- Amendments to Ind AS 12 - Income taxes
- Appendix B to Ind AS 21 - Foreign currency transactions and advance consideration
- Amendments to Ind AS 28 - Investments in associates and joint ventures
- Amendment to Ind AS 38 - Intangible asset
- Amendments to Ind AS 40 - Investment property

3. Property, plant and equipment

(₹ in lakh)

	Leasehold improvements	Plant and machineries	Computer hardwares	Vehicles	Furniture and fixtures	Office equipments	Total
Gross carrying amount							
As at 8th February 2017							
Acquired pursuant to the Scheme (refer note 39)	9,101.76	4,205.47	1,536.16	22.96	6,440.91	134.48	21,441.74
Additions during the period	6.45	184.21	220.81	-	96.82	4.60	512.89
Disposals during the period	174.84	13.22	8.72	3.41	29.59	0.34	230.12
As at 31st March 2018	8,933.37	4,376.46	1,748.25	19.55	6,508.14	138.74	21,724.51
Additions during the year	1,985.01	941.32	460.41	-	1,362.03	8.26	4,757.03
Disposals during the year	36.12	56.48	8.10	-	173.93	-	274.63
As at 31st March 2019	10,882.26	5,261.30	2,200.56	19.55	7,696.24	147.00	26,206.91
Accumulated depreciation							
As at 8th February 2017							
Acquired pursuant to the Scheme (refer note 39)	2,136.38	901.69	927.90	13.40	2,327.67	20.52	6,327.56
Depreciation for the period (refer note 26)	433.68	234.74	180.05	8.23	503.25	7.39	1,367.34
Disposals for the period	174.84	11.85	6.17	3.41	18.66	0.24	215.17
As at 31st March 2018	2,395.22	1,124.58	1,101.78	18.22	2,812.26	27.67	7,479.73
Depreciation for the year (refer note 26)	725.78	497.56	321.71	0.50	696.83	15.13	2,257.51
Disposals for the year	32.80	48.89	3.88	-	150.93	-	236.50
As at 31st March 2019	3,088.20	1,573.25	1,419.61	18.72	3,358.16	42.80	9,500.74
Net carrying amount							
As at 31st March 2018	6,538.15	3,251.88	646.47	1.33	3,695.88	111.07	14,244.78
As at 31st March 2019	7,794.06	3,688.05	780.95	0.83	4,338.08	104.20	16,706.17

Notes to consolidated financial statements as at and for the year ended 31st March 2019

4. Intangible assets

	Computer softwares	Know-how and licenses	Designs	Brand *	(₹ in lakh)
					Total
<u>Gross carrying amount</u>					
As at 8th February 2017	-	-	-	-	-
Acquired pursuant to the Scheme (refer note 39)	843.57	295.05	-	8,625.00	9,763.62
Additions during the period	435.17	-	-	-	435.17
Disposals during the period	2.47	-	-	-	2.47
As at 31st March 2018	1,276.27	295.05	-	8,625.00	10,196.32
Additions during the year	108.98	-	116.73	-	225.71
Disposals during the year	-	-	-	-	-
As at 31st March 2019	1,385.25	295.05	116.73	8,625.00	10,422.03
<u>Accumulated amortisation</u>					
As at 8th February 2017	-	-	-	-	-
Acquired pursuant to the Scheme (refer note 39)	300.53	150.67	-	-	451.20
Amortisation for the period (refer note 26)	93.60	27.36	-	-	120.96
Disposals for the period	2.35	-	-	-	2.35
As at 31st March 2018	391.78	178.03	-	-	569.81
Amortisation for the year (refer note 26)	207.18	54.66	23.56	-	285.40
Disposals for the year	-	-	-	-	-
As at 31st March 2019	598.96	232.69	23.56	-	855.21
<u>Net carrying amount</u>					
As at 31st March 2018	884.49	117.02	-	8,625.00	9,626.51
As at 31st March 2019	786.29	62.36	93.17	8,625.00	9,566.82

* Brand has been considered of having an indefinite useful life taking into account that there are no technical, technological or commercial risks of obsolescence or limitations under contract or law. The indefinite life intangible assets are tested for impairment annually.

5. Inventories

(at lower of cost and net realisable value)

	As at 31st March 2019	As at 31st March 2018
Raw materials	78.01	79.29
Finished goods	36.85	18.50
Stock-in-trade	27,055.88	24,573.90
Packing materials	309.83	298.59
	27,480.57	24,970.28
Provision for obsolete stock:		
- stock-in-trade	(488.80)	(694.28)
- packing materials	(9.64)	(26.87)
	(498.44)	(721.15)
	26,982.13	24,249.13

6. Investments

	As at 31st March 2019	As at 31st March 2018
Non-current		
Unquoted		
Investments in equity instruments (at FVTOCI)		
Retailer's Association of India: 10,000 equity shares (31st March 2018: 10,000 equity shares) of ₹10 each, fully paid up	1.00	1.00
Investment in Alternative Investment Fund (at FVTPL)		
Fireside Ventures Investment Fund: 1,104.696 units (31st March 2018: 750 units) of face value ₹100,000 each	1,275.21	684.16
	1,276.21	685.16

Notes to consolidated financial statements as at and for the year ended 31st March 2019

6. Investments (Contd.)

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Current		
Quoted		
Investment in mutual fund (at FVTPL)		
IDFC Ultra Short Term Fund - Direct Plan - Growth: 9,272,911.6340 units (31st March 2018: Nil) of ₹10.6050 each	983.39	-
	983.39	-
Aggregate amount of quoted investment and market value thereof	983.39	-
Aggregate value of unquoted investments	1,276.21	685.16

7. Trade receivables

(Unsecured)	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Considered good	4,476.99	3,720.68
Credit impaired	175.74	81.50
	4,652.73	3,802.18
Less: allowance for credit impaired receivable	(175.74)	(81.50)
	4,476.99	3,720.68

Refer note 36 for receivables from related parties.

8. Cash and cash equivalents

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Balance with banks in current accounts	1,384.90	1,168.67
Balance with credit card, e-wallet companies and others	777.31	405.99
Cash on hand	664.74	366.24
	2,826.95	1,940.90

9. Other bank balances

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Bank deposits with original maturity of more than 3 months and less than 12 months	19,162.56	8,059.79
	19,162.56	8,059.79

10. Loans and deposits

(Unsecured)	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Non-current		
Deposits		
- Considered good	3,362.17	2,984.98
- Significant increase in credit risk	13.42	13.95
- Credit impaired	131.99	131.99
	3,507.58	3,130.92
Impairment allowance:		
- Significant increase in credit risk	(13.42)	(13.95)
- Credit impaired	(131.99)	(131.99)
	(145.41)	(145.94)
	3,362.17	2,984.98
Current		
Deposits	-	0.93
	0.93	0.93

Notes to consolidated financial statements as at and for the year ended 31st March 2019

11. Other financial assets

(Secured and considered good)

	(₹ in lakh)	As at 31st March 2019	As at 31st March 2018
Non-current			
Bank deposits with original maturity for more than 12 months		-	15,300.00
Margin money deposit *		171.31	1,640.88
Interest accrued on bank deposits		2.79	89.81
Advances to employees		1.13	0.21
		175.23	17,030.90
Current			
Bank deposits with original maturity for more than 12 months		2.00	239.81
Interest accrued on bank deposits		17.35	122.82
Advances to employees		39.86	40.71
Other receivables		84.18	300.44
		143.39	703.78

* Margin money deposit of ₹171.31 lakh (31st March 2018: ₹1,640.88 lakh) are encumbered with banks against bank guarantees and overdraft facilities.

12. Other assets

(Unsecured)

	(₹ in lakh)	As at 31st March 2019	As at 31st March 2018
Non-current			
Capital advances			
- Considered good		39.48	15.30
- Credit impaired		3.54	3.54
		43.02	18.84
- Less: allowance for credit impaired advances		(3.54)	(3.54)
		39.48	15.30
Advances other than capital advances:			
Advances recoverable in cash or in kind		0.65	0.51
Prepaid expenses		2,032.24	1,731.39
Deposits for claims and tax disputes		34.72	31.03
		2,107.09	1,778.23
Current			
Advances recoverable in cash or in kind		650.30	325.30
Prepaid expenses		1,067.87	658.50
Balance with statutory / government authorities		925.44	1,026.94
		2,643.61	2,010.74

13. Equity share capital

	As at 31st March 2019		As at 31st March 2018	
	No. of shares	₹ in lakh	No. of shares	₹ in lakh
Authorised:				
Equity shares of ₹ 5 each	2,99,01,00,000	1,49,505.00	2,99,01,00,000	1,49,505.00
Preference shares of ₹ 100 each *	5,00,000	500.00	5,00,000	500.00
	2,99,06,00,000	1,50,005.00	2,99,06,00,000	1,50,005.00
Issued, subscribed and fully paid-up:				
Equity shares of ₹ 5 each	7,95,34,226	3,976.71	-	-
	7,95,34,226	3,976.71	-	-
Equity share capital suspense				
Equity shares of ₹ 5 each to be issued pursuant to the Scheme and pending for allotment (refer note 39)	-	-	7,95,34,226	3,976.71
	-	-	7,95,34,226	3,976.71

* 500,000 0.01% non-cumulative non-convertible redeemable preference shares of ₹ 100 each issued are classified as financial liability (refer note 15).

Notes to consolidated financial statements as at and for the year ended 31st March 2019

13. Equity share capital (Contd.)

(a) Reconciliation of the shares outstanding at the beginning and at the end of the period:

	As at 31st March 2019		As at 31st March 2018	
	No. of shares	₹ in lakh	No. of shares	₹ in lakh
Equity shares				
At the beginning of the period	-	-	50,000	5.00
Equity shares cancelled pursuant to the Scheme (refer note 39)	-	-	(50,000)	(5.00)
Equity shares issued pursuant to the Scheme (refer note 39)	7,95,34,226	3,976.71	-	-
At the end of the period	7,95,34,226	3,976.71	-	-

Note:

- (i) In terms of the Scheme, the paid up equity share capital of ₹ 5 lakh pertaining to the period prior to the Appointed date i.e. 1st October 2017 stands cancelled and reduced (refer note 39).
- (ii) 79,534,226 equity shares of ₹ 5 each amounting to ₹ 3,976.71 lakh is the equity share capital of the Group effective from 1st October 2017 post restructuring. The aforesaid shares were pending allotment as on 31st March 2018 and hence have been disclosed as equity share capital suspense. On 14th November 2018, the equity shares were issued and since transferred to equity share capital.

(b) Rights, preferences and restrictions attached to equity shares:

The Group has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Particulars of shareholders holding more than 5% shares of fully paid up equity shares:

	As at 31st March 2019		As at 31st March 2018	
	No. of shares	%	No. of shares	%
Rainbow Investments Limited	3,80,32,979	47.82%	-	-

In terms of the Scheme, the paid up equity share capital ₹ 5 lakh held by the erstwhile holding company stands cancelled (refer note 39).

(d) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	Year ended 31st March 2019	Year ended 31st March 2018	Year ended 31st March 2017
	(₹ in lakh)		
Equity shares of ₹ 5 each allotted as fully paid-up pursuant to the Scheme (refer note 39)	3,976.71	-	-
Preference shares of ₹ 100 each allotted as fully paid-up pursuant to the Scheme (refer note 39)	85.47	-	-

Note: As the Company was incorporated on 8th February 2017, disclosure of number of shares issued for consideration other than cash for the year ended 31st March 2016 and 31st March 2015 is not applicable and hence not disclosed.

Notes to consolidated financial statements as at and for the year ended 31st March 2019

14. Other equity

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Capital reserve		
Balance as at beginning of the period	56,133.85	-
Arisen during the period	-	56,133.85
Balance as at end of the period	56,133.85	56,133.85
 Retained earnings		
Balance as at beginning of the period	(5,398.37)	-
Arisen pursuant to the Scheme (refer note 39)	-	(3,956.24)
Profit / (loss) for the period	239.44	(1,412.69)
Remeasurement of defined benefit plans	(139.13)	(29.44)
Balance as at end of the period	(5,298.06)	(5,398.37)
	50,835.79	50,735.48

Note:

(a) Capital Reserve represents amount transferred pursuant to the Scheme and on acquisition of subsidiary, details of which is given below:

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Balance as at begining of the period	56,133.85	-
Arisen pursuant to the Scheme (refer note 39)	-	55,965.23
Arisen on acquisition of subsidiary	-	168.62
56,133.85	56,133.85	

(b) Retained earnings includes reserves created out of profits and remeasurement gains / losses on defined benefit plans.

15. Financial liabilities

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Non-cumulative non-convertible redeemable preference shares		
0.01% non-cumulative non-convertible redeemable preference shares of ₹100 each: 500,000 shares (31st March 2018: 500,000 shares) issued pursuant to the Scheme (refer note 39)	85.47	78.04
	85.47	78.04 *

* pending allotment as on 31st March 2018, the same has been disclosed as preference share suspense.

Rights, preferences and restrictions attached to preference shares:

The non-convertible non-cumulative 500,000 preference shares of ₹100 each carrying dividend @ 0.01% per annum is redeemable at par after 20 years from the date of allotment.

16. Trade payables

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Total outstanding dues of Micro and small enterprises (refer note 30)	67.50	-
Total outstanding dues of creditors other than Micro and small enterprises	31,137.46	28,021.99
31,204.96	28,021.99	

Refer note 36 for dues to related parties.

17. Other financial liabilities

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Sundry deposits	369.64	319.64
Liability for capital goods	788.66	272.45
Payable to employees	976.64	873.66
2,134.94	1,465.75	

Notes to consolidated financial statements as at and for the year ended 31st March 2019

18. Other current liabilities

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Advances from customers	393.82	362.41
Statutory dues	480.36	386.67
	874.18	749.08

19. Provisions

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Non-current		
Provisions for employee benefits:		
Provision for gratuity (refer note 35)	281.00	311.14
Provision for compensated absences	241.28	266.76
	522.28	577.90
Other provisions:		
Provision for decommissioning liability [refer note (a) below]	300.45	246.83
	822.73	824.73
Current		
Provisions for employee benefits:		
Provision for gratuity (refer note 35)	40.35	17.25
Provision for compensated absences	18.07	13.22
	58.42	30.47
Other provisions:		
Provision for tax disputes [refer note (b) below]	179.73	293.53
Provision for claims on leased properties [net off amount deposited - refer note (c) below]	1,183.05	1,172.42
	1,362.78	1,465.95
	1,421.20	1,496.42

Note:

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

	(₹ in lakh)	
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Opening balance	246.83	-
Arisen pursuant to the Scheme (refer note 39)	-	230.74
Provision created during the period	30.72	8.46
Unwinding of interest during the period	22.90	10.77
Provision reversed / utilised during the period	-	(3.14)
Closing balance	300.45	246.83

(b) 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 Group in due course.

	(₹ in lakh)	
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Opening balance	293.53	-
Arisen pursuant to the Scheme (refer note 39)	-	291.33
Provision created / (reversed) during the period	(0.54)	2.20
Paid during the period	(113.26)	-
Closing balance *	179.73	293.53

* Net of deposits as at 31st March 2019 ₹ 51.09 lakh (31st March 2018: ₹ 51.89 lakh) made under appeal.

Notes to consolidated financial statements as at and for the year ended 31st March 2019

19. Provisions (Contd.)

(c) Retailers Association of India (RAI) of which the Group 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 October 2011 directing the members of RAI to pay 50% of total service tax liability up to September 2011 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 Group has already deposited ₹ 460 lakh and furnished a surety for ₹ 460 lakh 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 Group has also been making provision for service tax on rent from October 2011 onwards, the balance whereof as on 31st March 2019 is ₹ 1,183.05 lakh (31st March 2018: ₹ 1,172.42 lakh).

	(₹ in lakh)	For the period 8th February 2017 to 31st March 2018
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Opening balance	1,172.42	-
Arisen pursuant to the Scheme (refer note 39)	-	1,137.49
Provision created during the period	46.78	79.36
Provision reversed / paid during the period	(36.15)	(44.43)
Closing balance	1,183.05	1,172.42

20. Revenue from operations

	(₹ in lakh)	For the period 8th February 2017 to 31st March 2018
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Sale of goods	2,28,067.31	1,06,965.47
Sale of concessionaire products	3,844.13	1,643.48
Total	2,31,911.44	1,08,608.95
Less: Tax	(21,054.26)	(10,603.19)
Less: Cost of goods sold for concessionaire products	(2,955.17)	(1,246.08)
	2,07,902.01	96,759.68
Other operating revenue	10,816.03	7,526.28
	2,18,718.04	1,04,285.96

21. Other income

	(₹ in lakh)	For the period 8th February 2017 to 31st March 2018
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Interest income		
- Bank deposits	1,583.71	722.85
- Security deposits	235.25	90.62
- Others	9.80	-
Gain on sale of investments	100.92	62.41
Fair value gain on investments	247.04	-
Net gain on sales of property, plant and equipment	27.28	-
Miscellaneous income *	610.94	26.47
	2,814.94	902.35

* includes provision / liabilities no longer required written back.

Notes to consolidated financial statements as at and for the year ended 31st March 2019

22. Cost of raw materials consumed

	(₹ in lakh)	
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Inventories at the beginning of the period	79.29	-
Inventories acquired pursuant to the Scheme (refer note 39)	-	87.57
Purchases during the period	685.79	467.65
	765.08	555.22
Less: Inventories at the end of the period	78.01	79.29
	687.07	475.93

23. Changes in inventories of stock-in-trade and finished goods

	(₹ in lakh)	
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Inventories at the beginning of the period	24,592.40	-
Inventories acquired pursuant to the Scheme (refer note 39)	-	23,932.75
Less: Inventories at the end of the period	27,092.73	24,592.40
	(2,500.33)	(659.65)

24. Employee benefits expense

	(₹ in lakh)	
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Salaries, wages and bonus	13,315.84	6,835.45
Contribution to provident and other funds (refer note 35)	853.92	465.52
Staff welfare expenses	587.93	301.24
	14,757.69	7,602.21

25. Other expenses

	(₹ in lakh)	
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Power and fuel	4,333.69	1,805.14
Freight	214.62	111.90
Rent [refer note 29(a)]	11,135.72	4,891.12
Repairs and maintenance		
- Buildings	371.97	182.66
- Others	2,750.13	1,360.10
Insurance	70.23	36.36
Fulfilment cost	74.91	10.72
Rates and taxes	536.56	227.66
Advertisement and selling expenses	3,040.67	1,191.42
Packing materials consumed	570.56	220.50
Travelling and conveyance	428.66	208.80
Auditor's remuneration		
- Statutory audit fees	10.00	2.20
- Tax audit fees	3.00	-
Communication expenses	212.56	134.06
Printing and stationery	301.31	123.61
Legal and consultancy expenses	467.41	134.89
Housekeeping expenses	3,168.39	1,442.91

Notes to consolidated financial statements as at and for the year ended 31st March 2019

25. Other expenses (Contd.)

	(₹ in lakh)	For the period 8th February 2017 to 31st March 2018
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Security expenses	1,686.14	746.68
Loss on sale/ write off of property, plant and equipment (net)	-	3.48
Bad debts / irrecoverable balances written off	-	3.14
Provision for bad and doubtful debts	94.24	80.97
Miscellaneous expenses	1,332.76	466.07
	30,803.53	13,384.39

26. Depreciation and amortisation

	(₹ in lakh)	For the period 8th February 2017 to 31st March 2018
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Depreciation of property, plant and equipment (refer note 3)	2,257.51	1,367.34
Amortisation of intangible assets (refer note 4)	285.40	120.96
	2,542.91	1,488.30

27. Finance costs

	(₹ in lakh)	For the period 8th February 2017 to 31st March 2018
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Interest expense	45.14	21.36
Other costs	699.92	358.87
	745.06	380.23

28. Earning per share (EPS)

Basic and diluted EPS have been calculated by dividing the profit / (loss) for the period attributable to equity holders of the Group by the weighted average number of Equity shares outstanding during the period.

	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Profit / (loss) for the period (₹ in lakh)	239.44	(1,412.69)
Weighted average number of equity shares for earning per share *	7,95,34,226	3,47,40,957
Earnings per share – basic and diluted (face value of ₹ 5 each)	0.30	(4.07)

* For the purpose of calculating earnings per share for the year ended 31st March 2019 and for the period 8th February 2017 to 31st March 2018, the equity shares issued pursuant to the Scheme (refer note 39) have been considered effective as on 1st October 2017, being the appointed date under the Scheme and the equity shares outstanding stands cancelled from the aforesaid date.

29. Commitments and contingencies

(a) Operating lease commitments (Group as Lessee)

Retail stores are taken by the Group 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 Group. There are no restrictions imposed by these lease arrangements. The details of lease rentals payable are given below:

	(₹ in lakh)	For the period 8th February 2017 to 31st March 2018
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Lease expenses for the period	11,135.72	4,891.12

Notes to consolidated financial statements as at and for the year ended 31st March 2019

29. Commitments and contingencies (Contd.)

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Future minimum lease payments:		
(i) Within 12 months	8,752.77	7,136.24
(ii) Between 2 and 5 years	34,859.62	28,040.31
(iii) Beyond 5 years	71,112.75	46,134.26

(b) Contingent liabilities

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Contingent liabilities not provided for in respect of:		
(i) Sales tax / VAT demands under appeal	1,027.87	951.20
(ii) Service Tax demands under appeal	553.89	553.89
(iii) Claims against the Group not acknowledged as debt	4,612.40	4,397.26

There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28th February 2019 in respect of Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its effective date. The Group is consulting Legal counsel for further clarity and evaluating its impact on its financial statement, if any, and is of the view that it is only possible but not probable that outflow of economic resources will be there in this regard.

(c) Commitments

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
(i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	129.04	277.53
(ii) for Investments	375.00	750.00

30. Information relating to Micro, Small and Medium Enterprises (MSME)s:

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
(i) The principal amount and interest due there on remaining unpaid to suppliers under Micro, Small and Medium Enterprises Development Act, 2006		
Principal	65.97	-
Interest	0.25	-
(ii) The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to suppliers beyond the appointed day during the year		
Principal	-	-
Interest	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006		
Principal	58.07	-
Interest	1.28	-
(iv) The amount of interest accrued and remaining unpaid at the end of the year being interest outstanding as at the beginning of the accounting year.	1.53	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when interest dues above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	1.53	-

Notes to consolidated financial statements as at and for the year ended 31st March 2019

31. Ind AS 115 - 'Revenue from contracts with customers', mandatory for reporting periods beginning on or after 1st April 2018, replaces existing revenue recognition requirements under Ind AS 18. The Group has applied the modified retrospective approach and there are no adjustments required to the retained earnings as at 1st April 2018. Further, due to the application of Ind AS 115, revenue from operations and cost of goods sold is lower by ₹ 6,680.48 lakh for the year ended 31st March 2019 on account of reclassification of certain discounts and rebates from vendors. However, this does not have any impact on the profit for the year ended 31st March 2019.

32. Contract balances

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Trade receivables	4,476.99	3,720.68
Contract liabilities	393.82	362.41

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

Contract liabilities include short term advances from parties for rendering various services.

33. Deferred tax asset

Deferred tax asset of ₹ 41,755.17 lakh (31st March 2018: ₹ 50,759.18 lakh) relating to deductible temporary differences and unused tax losses has not been recognised in the balance sheet in the absence of evidence supporting reasonable certainty of future taxable income when such losses would be set off and deferred tax assets be realised.

Reconciliation of tax expense and accounting profit:

	(₹ in lakh)	
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Accounting profit / (loss) before tax after comprehensive income	241.65	(1,442.13)
Tax using Company's domestic tax rate at 33.384%	80.67	-
Tax effect of amounts that are not considered in determining taxable income / loss, including difference in depreciation	(536.04)	-
MAT adjustments	596.71	-
Income tax expense recognised in profit or loss	141.34	-

34. Segment information

The Group has a single operating segment i.e. organised retailing. The Group at present operates only in India and therefore the analysis of geographical segment is not applicable to the Group.

35. Assets and Liabilities relating to employee defined benefits

The Group 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.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation are as follows:

	(₹ in lakh)	
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
(a) Reconciliation of present value of defined benefit obligations		
Balance at the beginning of the period	401.64	-
Current service cost	65.21	31.77
Interest cost	18.60	14.68
Benefits paid	(320.41)	(103.64)
Acquired pursuant to the Scheme (refer note 39)	-	424.01

Notes to consolidated financial statements as at and for the year ended 31st March 2019

35. Assets and Liabilities relating to employee defined benefits (*Contd.*)

(₹ in lakh)

	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Acquisition of subsidiary	-	7.30
Actuarial (gain) / loss on defined benefit obligations	240.05	27.52
Balance at the end of the period	405.09	401.64
(b) Reconciliation of fair value of plan assets		
Balance at the beginning of the period	73.25	-
Interest income	5.64	2.18
Contributions by employer	261.52	120.00
Acquired pursuant to the Scheme (refer note 39)	-	55.68
Acquisition of subsidiary	-	0.95
Benefits paid	(320.41)	(103.64)
Actuarial gains / (losses)	63.74	(1.92)
Balance at the end of the period	83.74	73.25
(c) Net defined benefit liabilities / (assets)		
Present value of defined benefit obligations	405.09	401.64
Fair value of plan assets	(83.74)	(73.25)
Net defined benefit liabilities / (assets)	321.35	328.39
(d) Expense recognised in Statement of Profit or Loss		
Current service cost	65.21	31.77
Interest cost	18.60	14.68
Interest income	(5.64)	(2.18)
	78.17	44.27
(e) Remeasurement recognised in Other Comprehensive Income		
Actuarial (gain) / loss on defined benefit obligations	240.05	27.52
Actuarial (gain) / loss on plan assets	(63.74)	1.92
	176.31	29.44

(f) The major category of plan assets as a percentage of the fair value of total plan assets are as follows:

	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Investments with insurer	100%	100%

(g) Actuarial assumptions

	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Discount rate	7.70%	7.70%
Expected rate of return on assets	7.70%	7.70%
Future compensation growth	4.60%	4.60%
Average expected future service	23 years	24 years
Employee turnover	Ranging grade wise from 12% to 67%	Ranging grade wise from 12% to 67%

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2006-08 - ultimate).

Notes to consolidated financial statements as at and for the year ended 31st March 2019

35. Assets and Liabilities relating to employee defined benefits (Contd.)

- (h) 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.
- (i) The Group expects to contribute ₹ 18.88 lakh (31st March 2018: ₹ 33.68 lakh) to gratuity fund in the next year.
- (j) Contribution to Provident and Other Funds includes ₹ 471.49 lakh (31st March 2018: ₹ 290.65 lakh) paid towards defined contribution plans.

(k) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

	(₹ in lakh)			
	As at 31st March 2019		As at 31st March 2018	
	Increase	Decrease	Increase	Decrease
(i) Discount rate (0.5% movement)	21.44	(23.31)	21.40	(23.30)
(ii) Future salary (0.5% movement)	(23.53)	21.80	(23.52)	21.75
(iii) Mortality (10% movement)	(0.72)	0.72	(0.74)	0.71
(iv) Attrition rate (0.5% movement)	(1.84)	1.86	(2.05)	2.04

(l) Estimated future payments of undiscounted gratuity is as follows:

	(₹ in lakh)	
	As at 31st March 2019	As at 31st March 2018
Within 12 months	41.89	17.90
Between 2 and 5 years	85.64	89.94
Between 6 and 10 years	184.00	194.41
Beyond 10 years	821.98	873.08
	1,133.51	1,175.33

36. Related party disclosure

(a) Related parties (where transactions have taken place during the year or previous year / balances outstanding):

- (i) Promoter holding more than 20%
(Parent-under de facto control as defined in Ind AS-110)
 - 1) Rainbow Investments Limited
- (ii) Subsidiaries and jointly controlled entities of promoters - Promoter Group (where transactions have taken place during the year or previous year / balances outstanding):
 - 1) Au Bon Pain Café India Limited
 - 2) Bowlopedia Restaurants India Limited
 - 3) CESC Limited
 - 4) First Source Solutions Limited
 - 5) Guiltfree Industries Limited
 - 6) Kolkata Games and Sports Private Limited
 - 7) Open Media Network Private Limited
 - 8) Phillips Carbon Black Limited
 - 9) Quest Properties India Limited
 - 10) RPG Power Trading Co. Limited
 - 11) Saregama India Limited
 - 12) Duncan Brothers & Co. Limited

(iii) Key Managerial Personnel

- 1) Sunil Bhandari
- Director (upto 14th November 2018)
- 2) Gautam Ray
- Director (upto 14th November 2018)
- 3) Rajarshi Banerjee
- Director (upto 27th November 2018)
- 4) Sanjiv Goenka
- Non-Executive Director (w.e.f 14th November 2018)
- 5) Shashwat Goenka
- Non-Executive Director (w.e.f. 14th November 2018)
- 8) Rekha Sethi
- Independent Director (w.e.f. 14th November 2018)
- 9) Rahul Nayak
- Whole-time Director (w.e.f. 14th November 2018)
- 10) Arvind Kumar Vats
- Chief Financial Officer (w.e.f. 14th November 2018)
- 11) Debanjan Mandal
- Independent Director (w.e.f. 11th February, 2019)
- 12) Devendra Chawla
- Chief Executive Officer & Managing Director
(w.e.f. 11th February, 2019)

Notes to consolidated financial statements as at and for the year ended 31st March 2019

36. Related party disclosure (Contd.)

- | | |
|--|---|
| 6) Utsav Parekh | 13) Rama Kant |
| - Independent Director (w.e.f. 14th November 2018) | - Company Secretary (w.e.f. 11th February, 2019) |
| 7) Pratip Chadhuri | 14) Navin Kumar Rathi |
| - Independent Director (w.e.f. 14th November 2018) | - Company Secretary (from 14th November 2018 upto 10th February 2019) |

(b) Details of transactions entered into with the related parties:

(₹ in lakh)

	Promoter Group		Key Managerial Personnel	
	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018	For the year ended 31st March 2019	For the period 8th February 2017 to 31st March 2018
Transactions:				
Sale of goods	110.36	51.68	-	-
Purchases of stock-in-trade	288.38	106.21	-	-
Rendering of services	801.59	66.48	-	-
Purchase of property and other assets	-	4.68	-	-
Reimbursements	458.88	318.67	-	-
Electricity expense	170.14	60.06	-	-
Rent expense	677.29	329.97	-	-
Security deposits paid	1.82	107.94	-	-
Security deposits received	1.93	61.67	-	-
Short term employee benefits	-	-	171.86	-
Retirement benefits	-	-	16.86	-
Reimbursement of expenses	-	-	7.01	-
Sitting fees to directors	-	-	8.00	-
Balances outstanding:				
Receivable against sale of goods	3.13	0.62	-	-
Receivable against rendering of services	288.51	356.31	-	-
Payable for purchases of stock-in-trade	42.68	44.85	-	-
Receivable against reimbursement	46.51	301.84	-	-
Payable for services received	163.86	268.38	-	-
Payable for purchase of property and other assets	-	4.68	-	-
Security deposit receivable	134.05	132.23	-	-
Security deposit payable	62.91	64.84	-	-

Notes:

- (i) The Group's principal related parties consist of Rainbow Investments Limited, its subsidiaries and key managerial personnel. The Group's material related party transactions and outstanding balances are with related parties with whom the Group routinely enters into transactions in the ordinary course of business.
- (ii) Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

Notes to consolidated financial statements as at and for the year ended 31st March 2019

37. Financial instruments - fair value measurements and risk management

(a) Accounting classification

The following table shows the carrying amounts and fair values of financial assets and financial liabilities:

(₹ in lakh)

	As at 31st March 2019				As at 31st March 2018			
	Amortised cost	FVTPL	FVTOCI	Total	Amortised cost	FVTPL	FVTOCI	Total
Financial assets								
Investments								
- Equity shares (unquoted)	-	-	1.00	1.00	-	-	1.00	1.00
- Alternative Investment Fund	-	1,275.21	-	1,275.21	-	684.16	-	684.16
- Mutual fund	-	983.39	-	983.39	-	-	-	-
Trade receivables	4,476.99	-	-	4,476.99	3,720.68	-	-	3,720.68
Cash and cash equivalents	2,826.95	-	-	2,826.95	1,940.90	-	-	1,940.90
Other bank balances	19,162.56	-	-	19,162.56	8,059.79	-	-	8,059.79
Loans and deposits	3,362.17	-	-	3,362.17	2,985.91	-	-	2,985.91
Other financial assets	318.62	-	-	318.62	17,734.68	-	-	17,734.68
Total financial assets	30,147.29	2,258.60	1.00	32,406.89	34,441.96	684.16	1.00	35,127.12
Financial liabilities								
Preference shares	85.47	-	-	85.47	78.04	-	-	78.04
Trade payables	31,204.96	-	-	31,204.96	28,021.99	-	-	28,021.99
Other financial liabilities	2,134.94	-	-	2,134.94	1,465.75	-	-	1,465.75
Total financial liabilities	33,425.37	-	-	33,425.37	29,565.78	-	-	29,565.78

(b) Measurement of fair values

The fair values of financial assets and liabilities are included at the amount that would be received on sale of asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent in all the years. The following methods and assumptions were used to estimate the fair values:

- (i) In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units at the close of the reporting date. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors. Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds. In respect of investments in alternative investment funds, fair values are based on net asset value as at the reporting date. In respect of investment in equity shares, fair values are determined using valuation techniques by Independent Valuers.
- (ii) The carrying amount of trade receivables, cash and cash equivalents, other bank balances, loans and deposits, other financial assets, trade payables and other financial liabilities, measured at amortised cost in the financial statements, approximate to their fair values largely due to the short-term maturities of these instruments. Carrying amount of Preference shares is based on discounted cash flows using effective interest rate at the time of issue which is a reasonable approximation of its fair value and the difference between the carrying amount and fair value is not expected to be significant.

(c) Fair value hierarchy

The table shown below analysis financial instruments carried at fair value, by valuation method.

(₹ in lakh)

	As at 31st March 2019				As at 31st March 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments								
- Equity shares (unquoted)	-	-	1.00	1.00	-	-	1.00	1.00
- Alternative Investment Fund	-	-	1,275.21	1,275.21	-	-	684.16	684.16
- Mutual fund	983.39	-	-	983.39	-	-	-	-
	983.39	-	1,276.21	2,259.60	-	-	685.16	685.16

Notes to consolidated financial statements as at and for the year ended 31st March 2019

37. Financial instruments - fair value measurements and risk management (Contd.)

The different levels have been defined below:

- (i) **Level 1 (quoted prices in active market):** This level of hierarchy includes financial assets that are measured using quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes listed equity instruments which are traded in the stock exchanges and mutual funds that have net asset value as stated by the issuers in the published statements. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net assets value.
 - (ii) **Level 2 (valuation technique with significant observable inputs):** This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.
 - (iii) **Level 3 (valuation technique with significant unobservable inputs):** This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This is the case for unlisted equity securities included in Level 3.
- (d) Reconciliation of fair value measurement of unquoted equity shares (categorised as level 3 above) classified as FVTOCI assets:

	(₹ in lakh)
	Unquoted equity shares
As at 31st March 2018	1.00
Invested during the year	-
As at 31st March 2019	1.00

(e) Financial risk management

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

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

The Group's principal financial liabilities comprises of preference shares, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance and support the operations of the Group. The Group's principal financial assets include trade and other receivables, loans and deposits, investments and cash & cash equivalents that derive directly from its operations.

The Group's primary risk management focus is to minimise potential adverse effects of these risks by managing them through a structured process of identification, assessment and prioritisation of risks followed by co-ordinated efforts to monitor, minimize and mitigate the impact of such risks on its financial performance and capital. For this purpose, the Group has laid comprehensive risk assessment and minimisation/mitigation procedures, which are reviewed by the Audit Committee and approved by the Board from time to time. These procedures are reviewed regularly to reflect changes in market conditions and to ensure that risks are controlled by way of properly defined framework.

(i) Credit risk

Credit risk is the risk of financial loss of the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from operating activities (primarily trade receivable and deposits) and from its investing activities (primarily banks deposits and investments).

Since the Group operates on a business model primarily of cash and carry, the credit risk from receivable perspective is limited due to the Group's customer base being large and diverse.

Credit risk on cash and cash equivalents and bank deposits is limited as the Group generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. Loans and deposits primarily represents security deposits given. The credit risk associated with such security deposits is relatively low.

Notes to consolidated financial statements as at and for the year ended 31st March 2019

37. Financial instruments - fair value measurements and risk management (Contd.)

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Group manages its liquidity risk on the basis of the business plan that ensures that the funds required for financing the business operations and meeting financial liabilities are available in a timely manner. The Management regularly monitors rolling forecasts of the Group's liquidity position to ensure it has sufficient cash on an ongoing basis to meet operational fund requirements. The surplus cash generated, over and above the operational fund requirement is invested in bank deposits and mutual fund schemes of highly liquid nature to optimize cash returns while ensuring adequate liquidity for the Group.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flow amounts are gross and undiscounted:

(₹ in lakh)

Financial liabilities	Carrying amount	Contractual cash flows			Total
		Within 1 year	1 to 5 years	More than 5 years	
As at 31st March 2019					
Preference shares	85.47	-	-	500.00	500.00
Trade payables	31,204.96	31,204.96	-	-	31,204.96
Other financial liabilities	2,134.94	2,134.94	-	-	2,134.94
	33,425.37	33,339.90	-	500.00	33,839.90
As at 31st March 2018					
Preference shares	78.04	-	-	500.00	500.00
Trade payables	28,021.99	28,021.99	-	-	28,021.99
Other financial liabilities	1,465.75	1,465.75	-	-	1,465.75
	29,565.78	29,487.74	-	500.00	29,987.74

(iii) Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments may fluctuate because of changes in market conditions. Market risk broadly comprises three types of risks namely currency risk, interest rate risk and security price risk. The Group does not have any loans and borrowings and thus interest rate risk is not applicable to the Group.

The Group invests its surplus funds mainly in short term liquid schemes of mutual funds and bank fixed deposits. The Group manages its price risk arising from these investments through diversification and by placing limits on individual and total equity instruments / mutual funds.

38. Capital management

For the purpose of the Group's capital management, capital includes equity attributable to the equity holders of the Group and all other equity reserves. The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure while maximising shareholder value. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to safeguard its ability to continue as a going concern and to maintain investor, creditors and market confidence.

39. The Group, in the financial statements for the year ended 31st March 2018, had given effect to the composite scheme of arrangement approved by Hon'ble National Company Law Tribunal (NCLT) (the appropriate authority), as applicable to the Group from the Appointed Date of 1st October, 2017.

Pursuant to the Scheme, each existing shareholder of CESC Limited registered on the record date of 31st October 2018 in respect of every 10 shares, received 6 fully paid up equity shares of ₹ 5 each in Spencer's Retail Limited (formerly known as RP-SG Retail Limited) and CESC Limited received 500,000 fully paid up 0.01% non-cumulative compulsorily redeemable preference shares of ₹ 100 each of Spencer's Retail Limited (formerly known as RP-SG Retail Limited).

Notes to consolidated financial statements as at and for the year ended 31st March 2019

40. Additional information in respect of net assets and profit / loss of each entity within the group and their proportionate share:

	As at 31st March 2019		For the year ended 31st March 2019		As at 31st March 2018		For the period 8th February 2017 to 31st March 2018	
	Net Assets, i.e. Total assets minus total liabilities		Share in Profit or Loss		Net Assets, i.e. Total assets minus total liabilities		Share in Profit or Loss	
	%	(₹ in lakh)	%	(₹ in lakh)	%	(₹ in lakh)	%	(₹ in lakh)
Holding: Spencer's Retail Limited (formerly known as RP-SG Retail Limited)	107%	58,735.90	649%	650.77	106%	58,085.12	65%	(942.92)
Subsidiary: Omnipresent Retail India Private Limited	(7%)	(3,923.40)	(549%)	(550.46)	(6%)	(3,372.93)	35%	(499.21)
Total	100%	54,812.50	100%	100.31	100%	54,712.19	100%	(1,442.13)

41. Previous period figures have been regrouped / reclassified wherever necessary to correspond with current period classification / disclosure. Further, the figures appearing in the Statement of Profit and Loss for the period ended 31st March 2018 include the operations of the Retail Undertakings(s) (refer note 39 above) from 1st October, 2017 and hence current period figures are not comparable with previous period figures.

For Batliboi, Purohit & Darbari
Chartered Accountants
Firm registration number - 303086E

Hemal Mehta
Partner
Membership number - 063404

Place: Kolkata
Date: 17th May 2019

For and on behalf of Board of Directors

Devendra Chawla
Chief Executive Officer
and Managing Director
DIN: 03586196

Rahul Nayak
Whole-time Director
DIN: 06491536

Place: Kolkata
Date: 17th May 2019

Shashwat Goenka
Director
DIN: 03486121

Rama Kant
Company Secretary

Sanjiv Goenka
Chairman
DIN: 00074796

Arvind Kumar Vats
Chief Financial Officer

FORM NO. AOC.1

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

PART "A": Subsidiaries

		(₹ in lakh, unless otherwise stated)
Sl. No.	Particulars	<u>Name of the Subsidiary</u>
		Omnipresent Retail India Private Limited
1	Date since when subsidiary was acquired	26th September 2017
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April to March, same as Holding Company
3	Reporting currency as on the last date of the relevant Financial Year	Indian Rupees (₹)
4	Share capital	4,529.66
5	Other equity / Reserves and surplus	(3,923.40)
6	Total assets	716.11
7	Total liabilities	716.11
8	Investments	-
9	Turnover	589.15
10	Profit / (loss) before taxation	(554.77)
11	Provision for taxation	-
12	Profit / (loss) after taxation	(554.77)
13	Proposed dividend	-
14	% of shareholding	100%

Note:

- (i) Turnover includes other operating revenue and other income.
- (ii) Profit / (loss) figures do not include other comprehensive income.

Part "B": Associates and Joint Ventures - Nil

For and on behalf of Board of Directors

Devendra Chawla
Chief Executive Officer
and Managing Director
DIN: 03586196

Shashwat Goenka
Director
DIN: 03486121

Sanjiv Goenka
Chairman
DIN: 00074796

Rahul Nayak
Whole-time Director
DIN: 06491536

Rama Kant
Company Secretary

Arvind Kumar Vats
Chief Financial Officer

Place: Kolkata
Date: 17th May 2019

NOTES

NOTES

A **TRISYS** PRODUCT
info@trisyocom.com

Spencer's Retail Limited
(Formerly known as RP-SG Retail Limited)

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