RP - Sanjiv Goenka Group
Growing Legacies

spencer's
MAKES FINE LIVING affordable

SRL:SEC:SE:2022-23/23

July 5, 2022

The Manager
Listing Department,
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 General Manager
Department of Corporate Service,
BSE Limited
Phiroze Jeejeebhoy Tower
Dalal Street
Mumbai – 400 001
**(Scrip Code: 542337)**

Dear Sir/Madam,

**Sub: Notice Calling the Fifth Annual General Meeting and the Annual Report for the financial year 2021-22**

Further to our letter no. SRL:SEC:SE:2022-23/21 dated June 27, 2022 and pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find attached herewith, copies of the Notice convening the Fifth Annual General Meeting (AGM) of the Company alongwith the Annual Report for the Financial Year 2021-22, being sent through electronic mode to the shareholders.

Copies of both the said AGM Notice and the Annual Report are being uploaded on the website of the Company at www.spencersretail.com/investor.

You are requested to kindly acknowledge the aforementioned information and oblige.

Thanking you.
Yours faithfully,
**For Spencer's Retail Limited**

**Rama Kant**
**Company Secretary & Compliance Officer**
**(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

# Spencer's Retail Limited
Integrated Annual Report
2021-22

spencer's
Makes fine living *affordable*

Nature's Basket

# What's Inside...

## Corporate Overview

## Statutory Reports

## Financial Statements

### Standalone Financial Statement

### Consolidated Financial Statement

**Investor Information**

CIN : L74999WB2017PLC219355
BSE Code : 542337
NSE Symbol : SPENCERS
AGM Date : JULY 29, 2022
AGM Mode : Through Video Conferencing ('VC') or Other Audio Visual Means (OAVM)

**Disclaimer**

This document contains statements about expected future events and financials of Spencer's Retail Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

Scan Me

Please find our online version at:
http://www.spencersretail.com/investor

# About this Report

We are pleased to present our Integrated Annual Report. This Report, as one of our primary communication materials to all of our stakeholders, provides detailed information on our operational and financial performance and their impact on our strategic objectives and potential to build long-term value. In this Report, we have covered our integrated value creation process for our stakeholders using six capitals, broadly based on the principles of International Integrated Reporting Council ('IIRC'). Financial, Physical, Intellectual, Human, Social & Relationship and Natural capitals include both financial and non-financial disclosures. We will continue to introduce such additional components over time, in order to increase transparency and disclosures.

## Reporting Period, Scope and Boundary

The reporting period for this Integrated Report is from April 1, 2021 to March 31, 2022. It includes an overview of our operations, business segments and key focus strategies for Spencer's Retail Limited and its Subsidiaries.

## Reporting Standards and Frameworks

Through the disclosures and information given in the Report, the Company aims to increase transparency and accountability. The financial information included in this Report complies with the financial and statutory data requirements of the Companies Act, 2013, Securities Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the prescribed Secretarial Standards.

## Management Assurance

The content of the Report has been evaluated by the Company's top management, overseen by the Company's Chairman and CEO & Managing Director. The Company's Board of Directors has also provided the required governance oversight.

# Chairman's Message

“

*The financial year 2021-22 was challenging with multiple waves of the COVID-19 pandemic. It had a significant impact on lives, livelihoods, and businesses across all industries. As the world navigated through the disruptions brought by COVID-19 pandemic, economic activity continued to experience volatility.*

## Trends in the Retail Space

The restrictions on trade and travel adversely impacted Retail store footfalls across the country. E-retail and Quick Commerce saw multi-fold growth during the year, fuelled by higher adoption of technology by consumers, and change in preference for hygiene and safety. The Retail sector in India is emerging as one of the largest sectors in the economy and it contributes 10% to GDP and 8% to employment. The Food & Grocery sector is expected to witness a CAGR of 13% to US$ 1,119 Billion by FY2030 of which the Organised Retail market is expected to record a CAGR of 20-25% per year. With our strategic pillars in place, we are well poised to take part in the growth story.

## Our Strategic Pillars

Our strategic pillars during the year revolved around optimising product mix in the non-food segment, driving efficiencies across the 'Out-Of-Store' business i.e. growing Omni-Channel business, and providing customers healthy food & premiumisation with the shopping experience.

We continue to prioritise the expansion of high-margin categories i.e. Non-food sales mix through better assortments and the introduction of SOR (Sales or Return) brands in General Merchandise and Apparel. Compared to last year, our share of the Non-food mix % grew by 185 bps and is gaining momentum.

We have restructured various contracts, renegotiated costs and worked on various cost savings initiatives. Some of the resultant benefit shall continue to reflect in near term.

We also worked on our Out-Of-Store business by improving our mobile app, developed chatbots, and created a time-bound delivery plan to provide a differentiated consumer experience. Moreover, online business was boosted by local customer connect with the 'Stores as Hubs' model and a hyper-local strategy for our 'Out-Of-Store' business. The Omni-Channel model is gaining traction quicker than other retail formats and is expected to continue growing significantly in the future. When compared to the same period of the previous year, our E-commerce business grew by 1.8x GMV in 2021-22.

During the year, we opened 8 stores in Spencer's & Natures Basket while also rationalising some unviable loss-making stores. Our losses during the year were reduced and witnessed stable growth in EBITDA, which stood at ₹101 Crore, up by 65.5% year-on-year.

## Our People

We continue to nurture our employees to foster their growth and development by organising various training programmes for our employees. Some of the programmes like Umang, Utsav, Utthaan, Customer First Training and Campaign, Leaders of tomorrow, etc, have highly impacted our workforce and rewarded our employees based on their performance. During the pandemic, we prioritised our employees' safety and ensured that all our employees were vaccinated. We followed strict safety protocols in line with the Government's regulations and also ensured usage of sanitisers, maintaining social distancing norms & other safety measures. We have been certified as a 'Great Place to Work' for 3 years in a row. At the end of the financial year strength of our employees stands at 5400+, which includes people in stores, distribution centres and at Corporate.

## Sustainability

Sustainability is one of our Core Values and we are cognizant of our social and environmental responsibilities. To decrease our carbon imprint on the planet, we have employed renewable energy as part of our energy mix and installed solar panels and other energy-saving technology for lighting our premises. We have reduced paper consumption and are providing e-invoices to our consumers. We have also reduce usage of plastic carry bags by using alternate eco-friendly packaging material. Thereby, moving towards being a greener company.

## Governance

We follow a robust corporate governance framework and out of total Board Members, 50% of Board Members are independent. Our Company is overseen and managed by an experienced and professional Board of Directors. We have established a code of conduct, policies, procedures, and Board committees to oversee our operations. We benchmark our governance practices every year and further strengthened them by updating our policies along with our Legal compliance management tool and Insider Trading compliance management tool.

## Way Ahead

At Spencer's, we see the next several years as an opportunity to invest in expansion and enhance value creation for our consumers. We are witnessing increased demand for our digital retail formats, and we intend to continue investing in our Omni-Channel business in the future. Logistics will play a transformative role in the retail environment, and Spencer's has invested in upgrading warehouse facilities to improve inventory movement efficiency. Thereby, expanding our digital reach across the country while achieving an optimal product mix.

Lastly, I would like to express my gratitude to our fellow Board Members, Stakeholders, and Investors for their steadfast support and belief in us. I also sincerely thank all our Customers for choosing us and our employees for the way they have lived upto our values by serving our customers. At Spencer's Retail, we are committed to keep a close eye on the changing retail landscape and grasping new opportunities to create sustainable value for all our stakeholders and this approach is what gives us optimism for the years ahead.

Regards,
**Dr. Sanjiv Goenka**
Chairman

# CEO & MD's **Message**

> *The year 2021 was another difficult year with COVID uncertainty across markets and various businesses. Given the nature of the business, we got more affected with every wave of COVID, with intermittent lockdowns, restriction on selling of Non-food items and due to cautious customer sentiment.*

**Dear Shareholders,**

## How We Performed

The overall Retail industry in India was impacted during the first quarter of 2021-22 owing to the COVID-19 induced lockdown. In the first quarter & first half of the fourth quarter, sales took a hit due to resultant trade and travel restrictions. However, as the infection rate decreased and the economy gradually opened up, footfalls in modern retail and digital formats improved, as did consumer spending. The festivities in the third quarter saw tremendous growth, with consumer demand reaching pre-pandemic levels. This was, however, offset by the drop in public morale due to a potential COVID-19 outbreak in the first half of the fourth quarter of 2021-22, with March 2022 bringing renewed consumer demand and sales growth.

Our growth in the current year was subdued with our consolidated revenues at ₹2,300+ Crore as of March 31, 2022. Gross margins during the year improved by 30 bps and stood at 20.7% in 2021-22. EBITDA during the year grew from ₹61 Crore in 2020-21 to ₹101 Crore in 2021-22. Our reported loss improved from ₹164 Crore to ₹122 Crore in 2021-22. The non-food mix grew from 14.4% in 2020-21 to 16.3% in 2021-22, on a Standalone basis, Natures Basket witnessed an improvement in Gross margins by 210 bps in 2021-22. NBL continues to be EBITDA positive at ₹18 Crore in 2021-22. Our Omni-Channel business, witnessed 1.8x growth year on year, reaching ~16.5% of the overall Spencer's Standalone sales mix with a GMV of ₹329 Crore in 2021-22.

We continue to focus on our e-commerce platform. We invested in scaling up our phone ordering system and Omni-Channel distribution during the year. Our Omni-Channel sales grew 10 times from 1.6% Pre-pandemic levels to 16.5% for the current year. We are one of the only retailers at nearly breakeven levels in online & delivering sustainable business growth both on a QoQ & YoY basis.

Our Non-Food mix has grown by 185 bps from last year and we are constantly working on various initiatives to increase the share of the Non-food mix. For e.g. Introduction of various SOR (Sale or Return Basis) brands in our General Merchandise and Apparel portfolio which will help us to enhance the product portfolio for our customers and is also helping us to manage our working capital requirements. Our SOR Sales mix has touched ~11% for Apparel & General Merchandise.

Similar to last year, we even re-negotiated our contracts with partners to support our cost efficiency initiatives. Further, we also invested in warehouse management systems to enhance our supply chain efficiency. This will further help us in improving the efficiency of our working capital. As a result of our operations and supply chain efficiency, we continue to operate with negative working capital on a consolidated basis.

With the footfalls increasing in the modern retail format, we remain focused on increasing our physical store presence across the country. During the year, we have opened 8 stores, 4 stores of Spencer's Retail and 4 stores of Natures Basket. We strongly believe in upgrading the skills of our employees and motivating them with various training and reward programmes. **'A wave of applause'** our monthly store Reward & Recognition Programme i.e. **"Utsav"**, our career progression programme i.e. **"Utthaan",** various customer training programmes **"Customer-First"**, Floor-based training at various stores i.e. Foundation Training, a behavioural learning intervention designed to enable mid-level managers to lead the change i.e. **"Leaders of Tomorrow"**.

## Outlook

Going ahead, we expect significant growth in our Omni-Channel model and our investments in our non-food portfolio to enhance our profitability. We would continue enhancing consumer experience and increasing customer connection through our in-store and digital formats. We shall also be working towards various consumer events locally through 'Local Consumer Connect' to provide the best-in-class shopping experience with varied assortments.

We are expanding our reach and enhancing our portfolio mix to deliver sustainable value to all our stakeholders. However, uncertainty about the further potential COVID-19 outbreaks remains.

## Vote of thanks

I take this opportunity to sincerely thank our Stakeholders, my Colleagues on the Board, our Customers, and our employees for their continued trust and support. We are committed to navigating the current upheaval, and our future looks bright and prosperous. Your trust in us has enabled us to build a very strong organisation with a promising future, and we assure you, we will live up to our commitments.

Regards,

**Devendra Chawla**

CEO & Managing Director

# Panoramic View of Spencer's Retail Limited

Spencer's Retail Limited ('Spencer's' or 'We' or 'Our Company') is a preferred multi-format 'Omni-Channel' retailer that caters to India's dynamic needs and choices. Part of the RP-Sanjiv Goenka Group, we deliver value to our customers through well-managed operations in the Organised Retail sector, focused on making fine living affordable. With over three decades of expertise in the Indian Retail space, we offer over 88,000 products. We expanded our footprint through our wholly-owned subsidiary – Natures Basket Limited (NBL), and ventured into catering for the multi-cuisine culinary requirements of our customers along with encompassing gourmet and gifting arena. We leverage the synergies of another wholly-owned subsidiary, Omnipresent Retail India Private Limited (ORIPL), to serve our customers via online and phone orders, delivering across specific locations.

**154**

Stores across India

**13,57,346 sq. ft.**

Retail Space

**38+**

Cities Served

**4,882**

Employees

## Multiple Store Formats and a Growing Online Platform

## Vision

To be a dynamic conglomerate driven by sustainable growth, efficiency and innovation.

## Core Values

**Customer First:** Keep customers at the core of every action.

**Execution Excellence:** Strive to be the best in everything we do.

**Credibility:** Instill trust, confidence and accountability with our actions.

**Agility:** Move ahead of time quickly.

**Risk-taking:** Dare to go beyond.

**Humaneness:** Be fair, respectful, transparent and sensitive.

**Sustainability:** Be equally responsible for people, planet & profits.

# Natures **Basket**

## A premium destination for multi-cuisine culinary needs and international food products

Natures Basket propels our vision to expand into the Premium Food business – complementing our business at Spencer's. It is a high-end grocery destination specialising in gourmet, international cuisine, and exotic items, including imported ingredients, healthy foods, and organic products. In addition to being a preferred destination for gourmet and gifting needs, Natures Basket has also become India's go-to place for 'Daily Food Delights', accentuating our endeavours to provide the freshest and finest food experience.

**36**

Stores Across India

**1,08,389** **sq. ft.**

Retail Space

**6+**

Cities Served

**580**

Employees

## Our Distinct Private Brands

Nature's Basket

Cognitive

Healthy ALTERNATIVES

Experiential

L'Exclusif™ SELECTION

Routine

Nature's


ORGANIC VEGETABLES
ORGANIC VEGETABLES
GIFTS BY NATURE'S BASKET
Nature's Basket
RP-Sanjiv Goenka Group

# The Gift Studio — A Complete Gifting Destination

## A unique and customised gifting platform serving customers across India

We offer a personalised gifting solution to our customers with a wide choice of flowers, gourmet food and gadgets. From choosing the product of their choice to selecting the box and sleeve it goes in, The Gift Studio (TGS) covers our customers' varied and distinct gifting preferences.

Our focus is on servicing our customers to the best of our abilities while creating a differentiated brand image in the gifting space. To this end, we leverage our strong Pan-India presence and a growing digital platform to meet our customers diverse requirements. To expand the product line further, TGS also offers hampers designed by fashion and art luminaries, including actor Sonam Kapoor Ahuja, artists like Bose Krishnamachari and Paresh Maity and fashion designer Anamika Khanna, to name a few.

# Strengthening Our Positioning in Health Segment

Natures Basket offers exotic, healthy food and imported items. With the pandemic leading to a shift in customers' preferences toward health and hygiene, our Company stepped in to strengthening our foundation and positioning in the health segment. Our additional products launched in the healthy and organic segment reflect our determination and focus on the vertical. Going ahead, we will continue paying attention to this segment and pursue growth in the same.

# Our Growing **Presence**

At Spencer's, we strive to establish ourselves as the most preferred retailer for all our customers covered under our geographical reach. Our store expansion programme focuses on expanding our business by opening new stores, addressing the change in demand and preferences of our existing customers. Additionally, we also intend to grow by bringing in new customers and communities, thereby expanding our Spencer's family.

| | |
|---|---|
| **Spencer's Locations** | **38 cities** |
| **Natures Basket Locations** | **6 cities** |

**Spencer's + Natures Basket Presence**

*This map is a generalised illustration only for the readers' ease in understanding the locations and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.

# Our Core Competencies

At Spencer's, we identify ourselves as more than just a modern retailer. We offer our customers shopping experience at an affordable price.

## Wide Range of Products

We offer a range of diverse products with distinct offerings distributed through our supermarket basket.

## Spencer's Fresh Selection

We provide our customers to choose from our fresh selection of seafood, meat, as well as fruits and vegetables, giving them a strong reason to visit our stores for their everyday requirements.

## Differentiated Product Portfolio

We go above and beyond to find the right selection of products for our customers, providing them with a one-of-a-kind shopping experience. Our private brands, 2Bme, Smart Choice, Healthy Alternatives, Hands on, and Inscapes, demonstrate our commitment to curate a differentiated product portfolio.

## Pan-India Reach

We are present across the country through our chain of Modern Retail stores and an extensive e-commerce platform reach. Andhra Pradesh, Delhi, Haryana, Jharkhand, Karnataka, Kerala, Maharashtra, Tamil Nadu, Telangana, Uttarakhand, Uttar Pradesh and West Bengal are amongst the states where we enjoy a strong presence.

## Out-Of-Store Model

We have an excellent 'Omni-Channel' model. Additionally, our 'Out-Of-Store' channels, including phone and WhatsApp-based orders and deliveries, have unlocked a large customer base for us, simplifying how we connect with our customers.

## Efficient Distribution Network

We have an excellent distribution network comprising small and large-sized vendors, including various leading MNCs. Our wide reach that enables us to meet our customers' everyday requirements and needs is supported by an efficient distribution network.

## Customer Centricity

We prioritise customer-centricity over everything and therefore source products that cater to their varied needs and preferences.

## Experience Centers

We believe in offering our customers a seamless shopping experience. And so, we have created experience zones where our customers can stroll in and try out our items easily and conveniently.

# Creating Value for Our Stakeholders

## Customers

**25 Lakh+**

Average Footfall per Month

**8**

New Stores Opened during 2021-22
(4 in Spencer's & 4 in Natures Basket)

**69,423 sq. ft.**

Total Retail Space Added during 2021-22
(53,165 sq. ft. in Spencer's & 16,258 sq. ft. in Natures Basket)

## Shareholders

**65,365**

Total Shareholders as on March 31, 2022

**₹2,376 Crore**

Turnover

**₹101 Crore**

EBITDA

**4.4%**

EBITDA Margin

## Environment

**340,745 kWh**

Renewable Energy Generated

**52 MT**

Usage of Cloth Bags including 100% Biodegradable & 100% Compostable

## Employees

**5,462**

Spencer's and Natures Basket

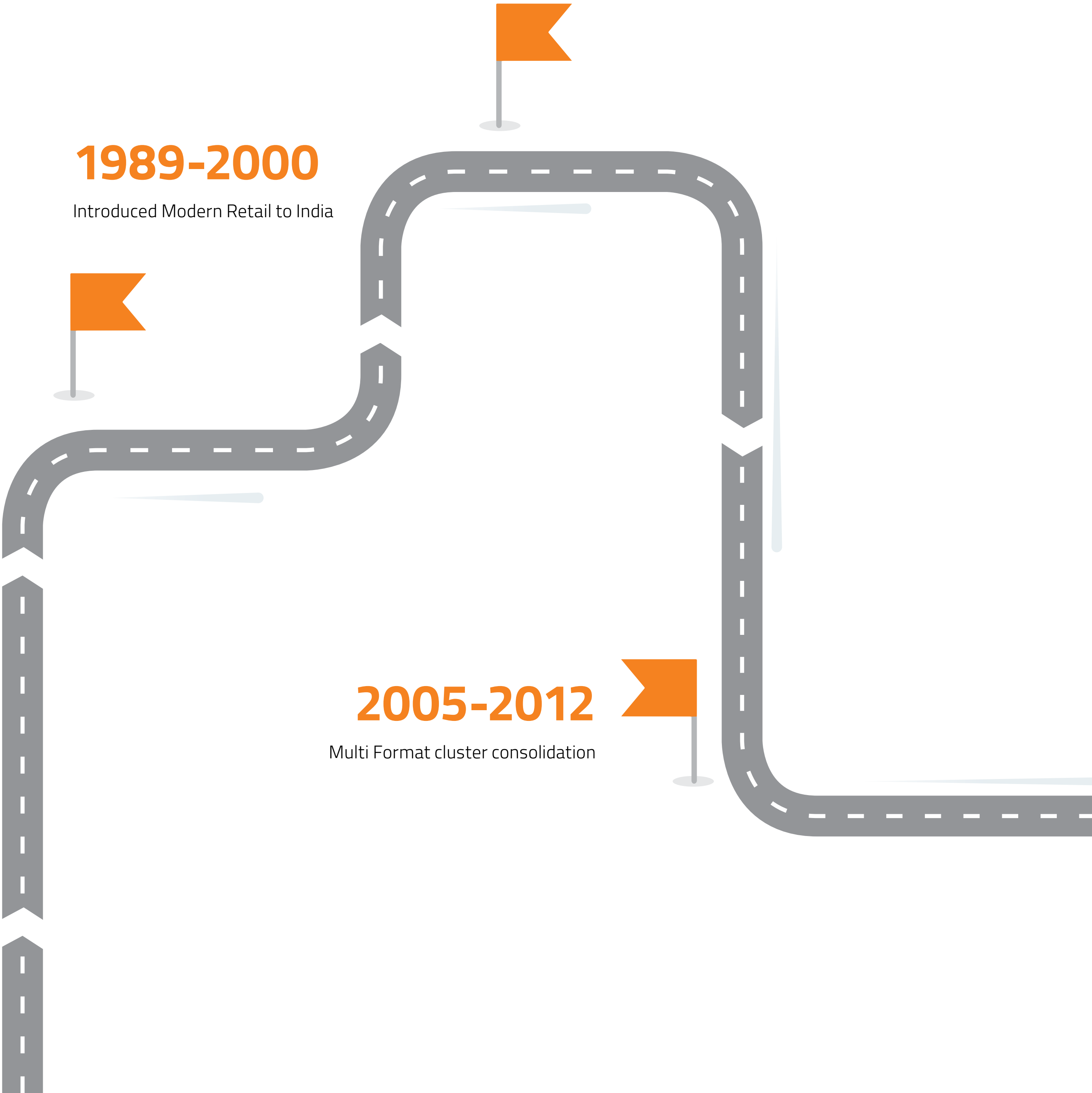
**1,65,162 Man Hours**

Training provided to Employees during 2021-22

**'Great Place to Work'**

Awarded for Three Consecutive Years in a row

# Business Journey So Far



## 1989-2000

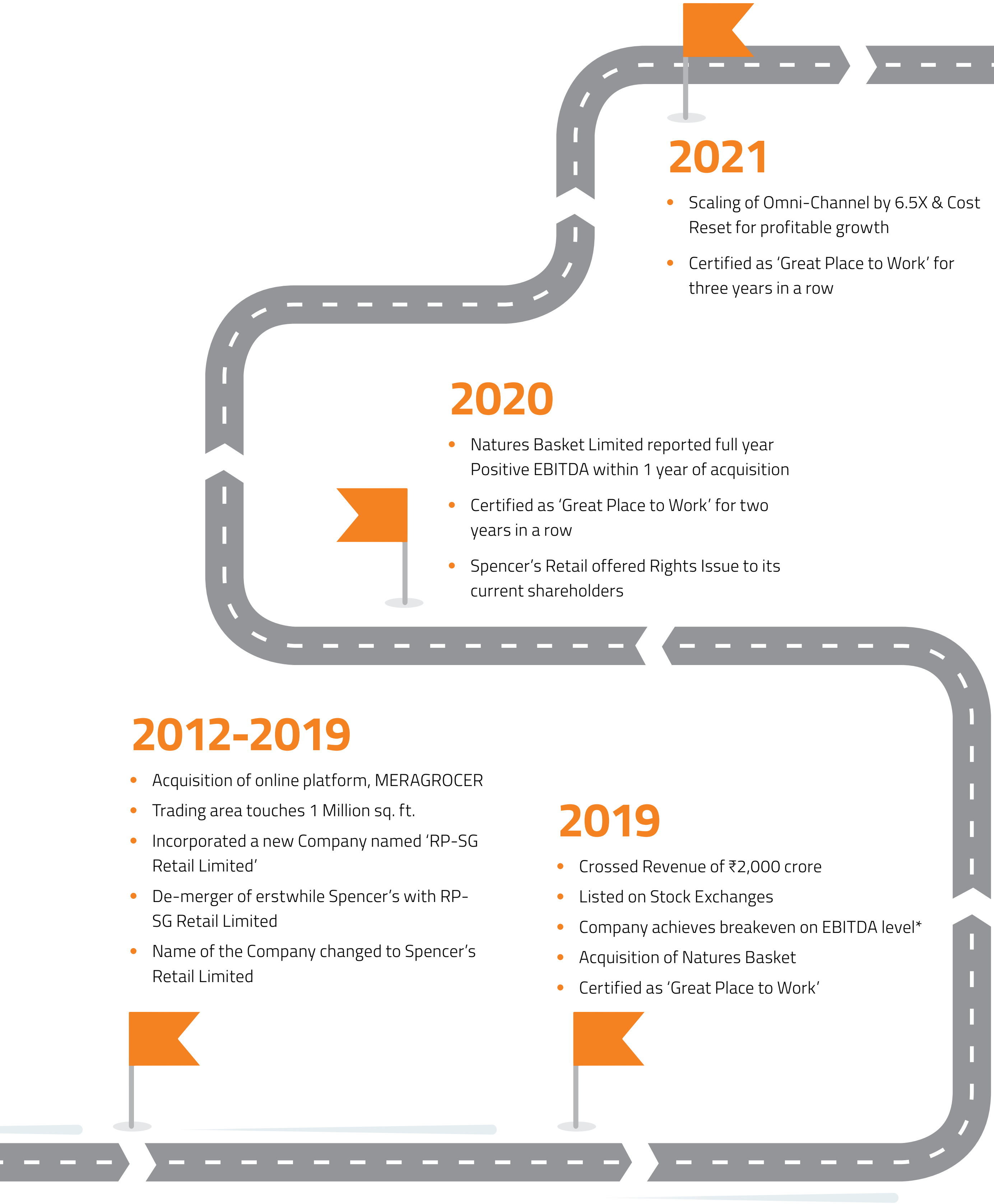
Introduced Modern Retail to India

## 2000-2005

Launch of 1st Large-format store in Hyderabad

## 2005-2012

Multi Format cluster consolidation



## 2021

- Scaling of Omni-Channel by 6.5X & Cost Reset for profitable growth
- Certified as 'Great Place to Work' for three years in a row

## 2020

- Natures Basket Limited reported full year Positive EBITDA within 1 year of acquisition
- Certified as 'Great Place to Work' for two years in a row
- Spencer's Retail offered Rights Issue to its current shareholders

## 2012-2019

- Acquisition of online platform, MERAGROCER
- Trading area touches 1 Million sq. ft.
- Incorporated a new Company named 'RP-SG Retail Limited'
- De-merger of erstwhile Spencer's with RP-SG Retail Limited
- Name of the Company changed to Spencer's Retail Limited

## 2019

- Crossed Revenue of ₹2,000 crore
- Listed on Stock Exchanges
- Company achieves breakeven on EBITDA level*
- Acquisition of Natures Basket
- Certified as 'Great Place to Work'

* Since 2019 the Company has been EBITDA positive

# Our Product Portfolio

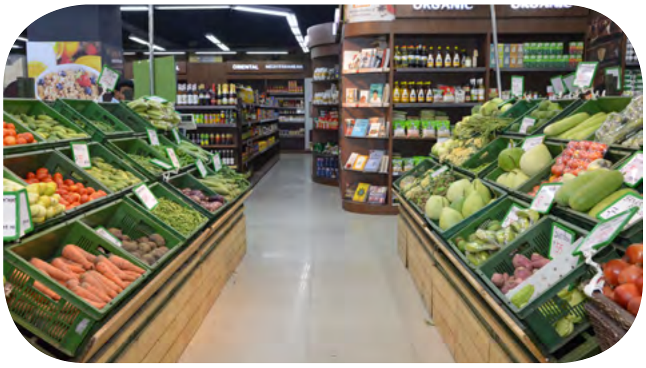
At Spencer's, we address everyday shopping needs of our customers by providing an engaging store experience backed by trained staff and an attractive value proposition. We offer a diverse range of products categorised under Food and Non-Food products. We also have our distinct private brands across a diversified product portfolio that focuses on delivering quality products and enjoys a healthy customer recall.

## Food Products

Our Food and FMCG categories comprise household necessities, health & beauty, frozen dairy, processed foods, staples and beverages.

**84%**

Food and Grocery



## Non-Food Products

Our Non-Food category includes apparel, linen, luggage, plasticware, metalware, and other general merchandise and electrical goods.

**16%**

Non-Food Products

# Spencer's Private Brands

**Apparel**

2Bme

**General Merchandise**

HANDS ON

INSCAPES

KITCH

**Staples & FMCG**

Smart Choice

doubletick

**Electric and Electronic**

BESSER
The better life

# Natures Basket Private Brands

**Cognitive**

Healthy ALTERNATIVES

**Experiential**

L'Exclusif™ SELECTION

**Routine**

Nature's

At Spencer's, delivering a superior retail experience to our customers is one of our most important strategic pillars. Our consistent endeavour is to enhance Non-Food business. We are also focussing on expanding our physical stores and digital infrastructure to harness the true power of our 'Omni-Channel' approach.

## Growing 'Omni-Channel' Approach

At Spencer's, we are evolving our 'Omni-Channel' approach while leading a major shift towards direct-to-customer channels. We strive to stay connected with the local community through our hyperlocal approach, providing a seamless shopping experience to our customers. We have modified our backend operations and utilised our stores as hubs for contactless 'Out-Of-Store' sales, phone delivery and WhatsApp-based chatbot ordering, with a determination to become a preferred 'Omni-Channel' player in India.

## Expanding Reach in Profitable Geographies

We currently operate multi-format stores across four clusters – East, South, North and West India. We have a strong presence in the high growth territories across the country. With Natures Basket, our Company has expanded its reach to the attractive western markets of India. We intend to broaden our footprint into high-profitability areas based on the following levers:

- Expanding through Spencer's Large-Format Stores
- Expanding Natures Basket stores in the existing cluster as well as adding Delhi NCR and Kolkata under its reach
- Putting cross placement of products to use for both Natures Basket and Spencer's across retail channels
- Leveraging private brands & other products of Natures Basket at Spencer's stores and vice-versa

## Focused on High Margin Non-Food Business

We are focussed on increasing our share of sales in the Non-Food product categories with a higher margin potential. Our Company also emphasises achieving efficiency in inventory management through SOR mix and by offering a wider choice to customers by introducing multiple new national brands across all our retail formats.

## Improving Cost Structure and Managing Liquidity

We modified our cost structures and implemented different cost-saving initiatives. At Spencer's, we actively manage our cash flows through effective working capital management. Our cost-optimisation strategies are driven by technological adoption and a low-cost mindset. To boost overall profitability, our Company intends to harness our expertise across Natures Basket's unique product mix and Omnipresent Retail India Private Limited's (ORIPL) digital platform.

## Widening Portfolio with Sale or Return (SOR) Strategy

Our consistent efforts toward widening our product range are aimed to make fine living affordable to our customers. We continually add popular regional brands under our Apparel and General Merchandise categories with our SOR model. While this has widened our product portfolio, bringing in higher relevance for the local customer base, it has also improved our working capital efficiency and reduced the risk of obsolescence of styles pertaining to changing customer preferences and buying trends. Our Company currently has a SOR mix of 11% for our respective categories, with 86 brands for apparel and 63 brands for general merchandise categories.

# Increasing Focus towards 'Omni-Channel' Presence

Retail business has been significantly altered by technological advancements. Digital platforms have facilitated Omni-Channel shopping, providing the customers with a seamless, satisfying experience across channels. As per data comprising relevant information about customers and their product choices, customers now demand Retail businesses to further understand their preferences better while facilitating higher convenience in shopping.

At Spencer's, we have uninterruptedly invested in expanding our 'Omni-Channel' platform. We intend to provide a comprehensive and integrated retail shopping experience to our customers, backed by Spencer's physical stores and our 'Out-Of-Store' model. ORIPL, our Wholly-owned Subsidiary, a online marketplace delivery platform to interact with customers, makes us a true 'Omni-Channel' retailer. We are also integrating digitalisation across our value chain. Spencer's 'Out-Of-Store' strategy encompasses WhatsApp, Phone delivery, Social Media, E-commerce Website, Mobile App, Resident Welfare Associations (RWAs).

## Strategic Enablers

Serving customers by becoming a true 'Omni-Channel' player and providing a superior shopping experience through digital transformation with:

- Differentiated Offerings
- Partners for Last-mile Deliveries
- 'Out-Of-Store' Initiatives (Delivery in 90 Minutes)
- Leveraged Stores as hubs for Phone Delivery
- Building agility and Managing Risk

**42+**

Cities Served through Online Channel

**1.8x**

Growth in 'Out-Of-Store' in FY 2022

# Major shift to D2C — Providing a shopping experience appropriate for each stage of digital maturity

| | |
|---|---|
| **Physical Store** | In-store shopping experience |
| **Online Platforms** | Online shopping through Website and Mobile app |
| **Omni-Channel** | Mobile app, Phone delivery, RWA, WhatsApp ordering |
| **Digital Delivery** | Communication to customers through collaboration between physical, digital cloud infrastructure and social media platforms |
| **Contextual** | Customer-centric approach |
| **Real-time data** | Artificial intelligence/machine learning, big data for predictive analytics |

# Our Value Creation Process

## Resources Available to Us

### Financial Capital

Our robust capital base is raised from our investors to support business activities.

- **Total Assets:** ₹1,565.28 Crore
- **Total Equity:** ₹61.86 Crore
- **Total Debt:** ₹360.90 Crore
- **Capital Employed:** ₹846.65 Crore

### Physical Capital

We leverage our tangible assets and expertise to deliver our differentiated product portfolio.

- **Stores (including Natures Basket):** 190
- **Distributions Centres (including Natures Basket):** 14
- **Cities Covered:** 42+
- **Total Trading Area:** 14,65,735 sq. ft.

### Intellectual Capital

We utilise our technologies, processes and brands to deliver cost-effective products to our consumers.

- **Investment in Technology Development and upgradation:** ₹1.38 Crore
- **Mobile Application and Website:** Delivering seamless customer ordering online payment system

### Human Capital

We employ a competent, engaged and experienced workforce to deliver our products and services efficiently.

- **Total Employees:** 5,462 (4,882 in Spencer's & 580 in Natures Basket)
- **Women Employees:** 1,244 (1,078 in Spencer's & 166 in Natures Basket)
- **Training Conducted:** 1,65,162 manhours (1,53,256 manhours in Spencer's & 11,906 manhours in Natures Basket)

### Social and Relationship Capital

Our relationship with society, consumers, distributors, and other key stakeholders for sustainable value creation.

- Providing employment to local communities
- Engaging with national skill development institutions in sourcing retail apprentice
- Partnering with farmers to source vegetables for local farmers
- Organising customer events and festivals
- Providing robust customer support infrastructure
- Offering large distribution network
- **Contribution to Ex-chequer:** ₹252.67 Crore (₹224.64 Crore in Spencer's + ₹23.74 Crore in Natures Basket + ₹4.29 Crore in ORIPL)

### Natural Capital

Our judicious consumption of the environmental resources and efforts to minimise our impact through sustainable business activities.

- **Solar Power Capacity:** 400 kW
- **Facilities with E-billing Facility:** 190 stores
- Stopping the usage of single-use plastic as per Government norms
- Usage of 52MT Cloth Bags during the year. Promoting usage of cloth bags, including 100% biodegradable and 100% compostable plastic

## Our Value Creation Strategy

### Sourcing and buying products effectively

- Better sourcing for our consumers
- Ethical purchasing and food safety
- Ensuring sustainable consumption and future supply

### Delivering a competitive customer offer

- A wide choice of Food, Grocery and Non-Food products, including international products, at competitive rates
- Access to high-quality stores
- Greater convenience and other value-added services

### Build a high-performance retail team

- Customer-focussed approach
- Varied and talented workforce
- Career growth opportunities

### Cost-effective and efficient operations

- Efficient supply chain management
- Lean operating model at retail stores
- Cutting-edge technology implementation across the value chain

### Serve customers and drive sales

- Pioneer in the Organised Retail space
- 'Omni-Channel' approach to serve the growing customer base
- Online platform, Website, Whatsapp and Chatbot-ordering and Phone Delivery

### Invest in our communities

- Economic and social upliftment of the communities we serve leads to growth for all

## The Outcomes

### Financial Capital

- **Revenue:** ₹2,376.55 Crore
- **Net Cash Generated from Operating Activity:** ₹54.6 Crore
- **Negative Working Capital:** ₹46.32 Crore

### Physical Capital

- **Total Customer Footfall:** 25 Lakh+ per month
- **Stores Added During the Year:** 8 (4 in Spencer's & 4 in Natures Basket)
- **Growth in Number of Bills (NOB):** 3.4 Lakh+

### Intellectual Capital

- Enhanced customer experience
- Online shopping website and app enhancements
- **Views on social media campaigns:** 2.9 crore+ and 5 Lakh+ followers
- **Increase in GMV value:** ₹146 Crore

### Human Capital

- An engaged and motivated workforce
- Awarded **'Great Place to Work'** Three Years in a Row
- **Employees Working over 5 Years:** 730+

### Social and Relationship Capital

- Proactive stakeholder engagement programme, including seminars, conferences, and meetings
- **Loyal Customers:** 83%

### Natural Capital

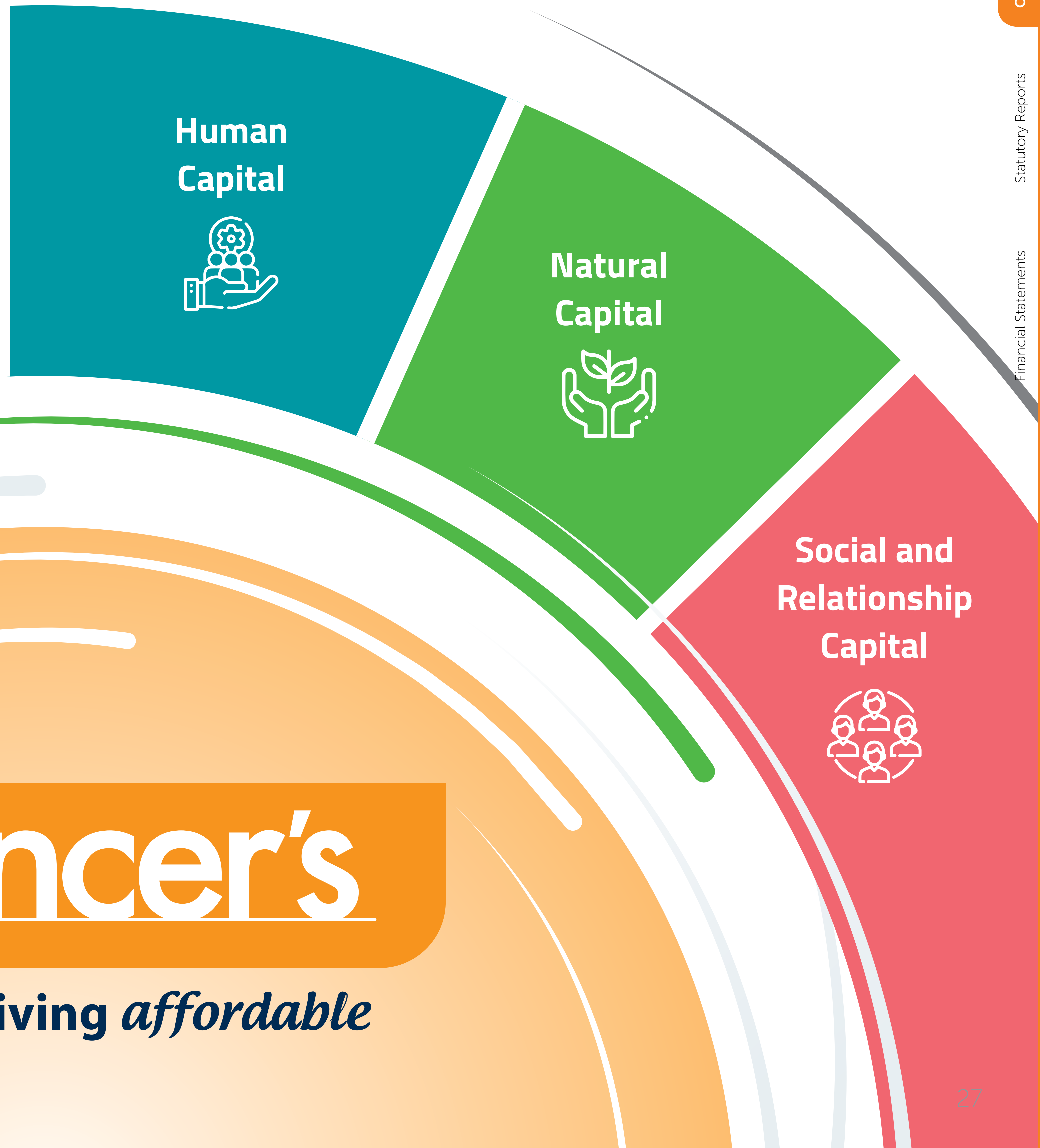
- **Solar Generation:** 3,40,745 KWh
- Reduction in paper usage through E-billing at all our 190 stores
- Promoting usage of Cloth Bags for sustainable environment

Click below capitals
to View in detail

**Intellectual Capital**

**Physical Capital**

**Financial Capital**


Human Capital
Natural Capital
Social and Relationship Capital
ncer's
iving affordable

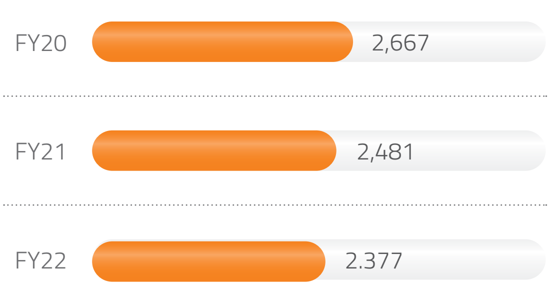
# Financial Capital

Multiple waves of pandemic impacted our performance. However, despite the hurdles, our financial numbers recovered during the year.

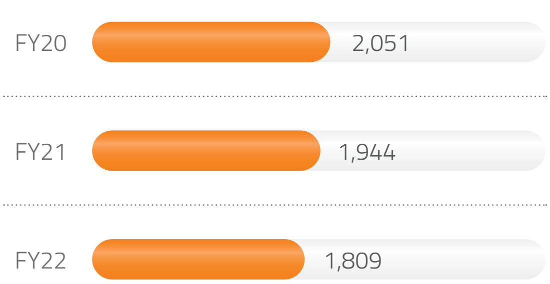
With increasing consumerism and growing market access driven by technology and infrastructure, the Indian Retail sector is expected to grow exponentially in the coming years. The market is projected to expand for both value and experience-based retail formats. E-commerce is anticipated to witness the fastest growth, while Non-Food categories are expected to experience higher migration and adoption. In the Food space, Grocery is likely to undergo multiple hyperlocal model approaches. We, at Spencer's, have employed robust financial strategies and are prepared to take these opportunities with improved turnover and profitability.

Spencer's saw a decline in turnover during 2021-22 as a result of lower store footfall and sales of Non-Food categories. We undertook cost rationalisation and optimisation strategies to improve our profitability during the year. Backed by a robust cash position and efficient working capital cycle, our balance sheet showcased resilience. Spencer's continued to maintain a negative working capital days on turnover in 2021-22. Going forward, we anticipate a strong increase in retail footfall traffic alongside higher profitability, driven by prudence, enhanced strategies and higher efficiencies.

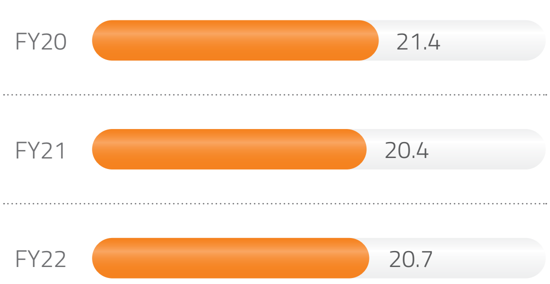
**Total Income** (₹ in Crores)



**Purchases** (₹ in Crores)

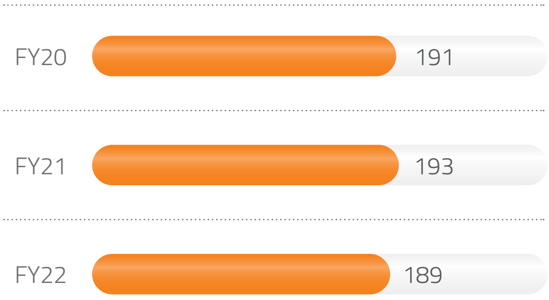


**Gross Margins** (in %)



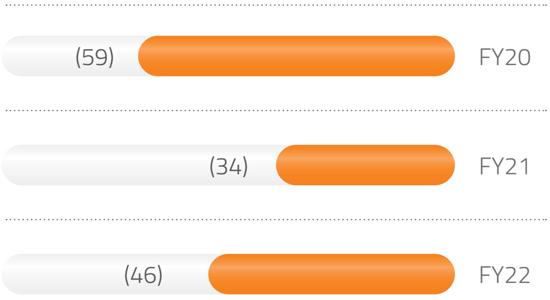
## Employee Benefit Expenses

(₹ in Crores)



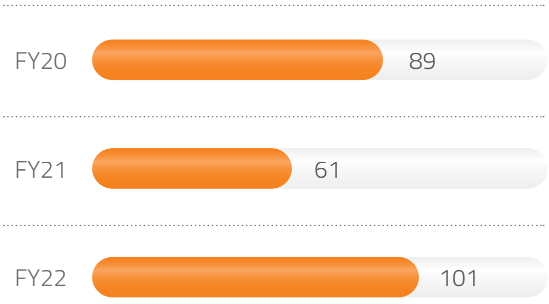
## Working Capital

(₹ in Crores)



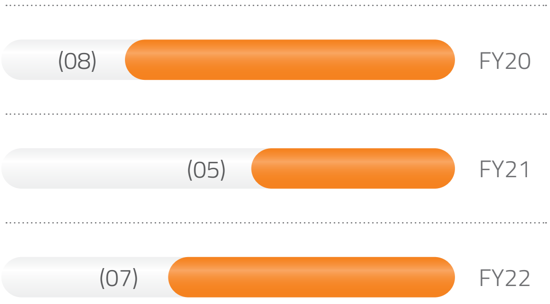
## EBITDA

(₹ in Crores)



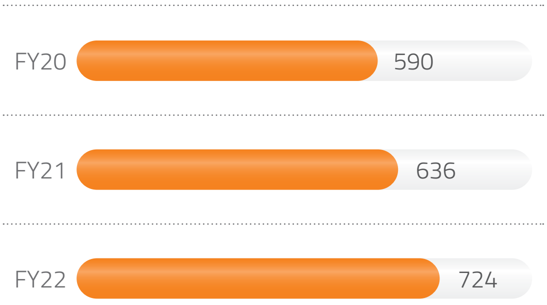
## Working Capital Days on Turnover

(Days)



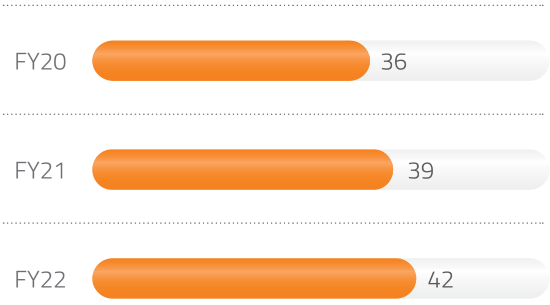
## Market Capitalisation

(₹ in Crores)



## Inventory Days of Holding on Turnover

(Days)



**Note:** On consolidated basis
Working Capital = Inventory + Trade Debtors - Trade Payables

# Physical Capital

At Spencer's, we have always strived to deliver a convenient shopping experience to our customers. Our Physical capital includes our physical stores and digital infrastructure. As markets and priorities change for the people, so do business practices. Post the introduction of the COVID-19 pandemic, customer preferences regarding retail shopping have inclined more towards health and hygiene. We are committed to understand the needs of our customers. Our focus is on providing them with all the facilities they expect to cater to their dynamic demand while also working towards expanding our presence in various territories. The emphasis has been on providing a safer and more convenient retail experience to drive store footfalls across our retail stores.

**190**

Total Spencer's & Natures Basket Stores

**8 (4 in Spencer's & 4 in Natures Basket)**

Store additions in FY 2021-22

**14,65,735 sq. ft.**

Total Area of All Stores

**25 Lakh+ per month**

Average Footfall of Spencer's

**14 (12 in Spencer's & 2 in Natures Basket)**

Distribution Centres

## What Leads Spencer's Business Model?

We focus on providing our consumers with varied assortments at affordable price. The payback period for Spencer's stores ranges between three to five years, making for one of the factors that give us market distinction.

### Large-Format Stores

We built our Large-Format Stores business model to bring in higher profits that complement our overall business performance. Our Large-Format Stores offer all categories of Food and Non-Food products, including electronics and apparel.

**76**

Large-Format Stores

**33+**

Presence in Cities

**15,560**

Average Store Area

**83%**

Revenue Share

## Small-Format Stores

We also have Small-Format Stores that offer a range of groceries, a targeted range of apparel, general merchandise, and other value-added services.
Our small-format stores are more convenient and strategically located near residential spaces, offering ease in accessibility to the public.

| | |
|---|---|
| 78 | 2,240 |
| Small-Format Stores | Average Store Area |
| 19+ | 17% |
| Presence in Cities | Revenue Share |

## Natures Basket

Our Natures Basket stores offer a more differentiated business model for Food category, offering products and delights for our customers alongside customised gifting options through 'The Gift Studio'. Natures Basket is India's freshest and finest food experience as an everyday go-to place for food delights.

| | |
|---|---|
| 36 | 6+ |
| Natures Basket Stores | Presence in Cities |
| 3,010 | |
| Average Store Area | |

## Spencer's Impact on the Ground

Our strategies and efforts during the previous year impacted us in the following ways:

### Fighting in the Face of the Odds

The outbreak of the COVID-19 pandemic created havoc worldwide. It changed the dynamics of our presence and business across the country. We adapted to the new normal and adhered to all the COVID-19 regulations, protocols and changes to ensure business continuity. At Spencer's, we have always emphasised acclimatising to our new environment.

# Initiatives to Increase Our Foot Traffic

We have worked in various domains to bring more people to our stores. COVID-19 also affected our customer footfall, but we maintained consistency through our improvised initiatives.

## Strategies for a Better Tomorrow:

New Stores: We plan to add 1,00,000 to 1,50,000 sq. ft. area by adding more stores to our current capacity. We expect things to return to the pre-pandemic through this shift

Non-Food Product Launches: Going ahead, we plan to focus on products in the Non-Food category like Apparel and General Merchandise. Additionally, we will also allocate more trading space for Apparel and General Merchandise with the intention of greater sales per sq. ft.

## Operating Models

### Business Model

**Spencer's Retail**

Capex Cost ₹1,500 to ₹2,500 per sq. ft.

Revenue ₹1,000 to ₹ 2,000 sq. ft. per month

Average Store Size 5,000-25,000 sq. ft.

Store EBITDA margins 5% to 6%

**Payback period of 3 to 5 years**

**Natures Basket**

Capex Cost ₹4,000 to ₹7,500 per sq. ft.

Revenue ₹2,500 to ₹3,000 sq. ft. per month

Average Store Size 1,500-6,500 sq. ft.

Store EBITDA margins 7% to 9%

**Payback period of 3 to 5 years**

## Efficiency is the Key:

### In-store Management

One of our major focus points is efficient in-store management, and we enable the same through the following:

- Deploying energy-saving devices
- Defining store work plans and layouts to standardise our stores
- Strategic placing of different categories and a scientific store layout to boost cross-selling
- Having processes in place to benchmark weekly prices and ensure price competitiveness
- Low waiting time for our customers and opening new checkout counters if the queue is more than three shopping trolleys
- Ensuring of availability for top-selling SKUs across stores for customers

# Intellectual Capital

The COVID-19 pandemic raised the need for deriving futuristic technology to solve modern-day problems, including attracting and retaining customers. To keep up with changing industry trends and preferences, businesses and customers now encourage digital, contactless payments and managing the supply chain. At Spencer's, we have always believed in investing our time, energy, and money in intelligent technology that helps us better serve our customers and improve our business conduct. During the pandemic, our existing technology helped us cope with the challenges and continue with our business.

## Our Initiatives:

Through the following initiatives, we understood what our customers need and used technology to create unique solutions to the problems.

### Investing in Digital Platforms:

In the previous year, we made significant investments in various software, and one of them was our mobile application that helps locate stores in the vicinity. Using data analytics, we are trying to understand our customers' buying preferences and offering them precisely what they need in an attempt to serve better.

### Social Media Reach:

Through our use of social media, we could reach people across all demographics. The idea was aimed at adding more customers to our large format stores. We moved our operations towards some digital media platforms like WhatsApp and an E-commerce platform. We also introduced a user-friendly mobile application that allows our customers to locate stores near them.

**15 lakh+**

Views on Social Media for Holi Post

**2.9 crore+**

Accounts Reached

**5 lakh+**

Followers across Social Media Platforms

### Innovative Ways for Customer Service:

At Spencer's, we understand how important our customers' time is and to get faster solutions, we introduced a messaging chatbot. Our conversational marketing helped us understand how customers can get what they need by asking about their orders to the chatbot, other products, their price and availability, and much more.

### Tailor-made Solution to Our Customers:

With the use of modern-age technology, we provide customised and better basket choices to our customers through our digital platform. Moreover, our Customer Relationship Management tools better understand a customer's buying patterns, and thus presents them with a customised basket choice. This is backed by our call centres and customer support services through toll-free numbers, email, and WhatsApp.

Going ahead, we will focus on building 'Omni-Channel' business that uses various channels like Online and Offline Stores, WhatsApp and Phone Delivery. We will continue developing a digital presence through marketing units and backend creators.

# Virtual Store

Our virtual store helped us to connect with people who could not leave their home, bringing the store to their home through our virtual store.

## Features of Our Virtual Stores

- Paperless invoice systems
- Multiple payment getaways
- Reminders for schemes and offers
- Product recommendations for customers
- Interactive and user-friendly interface
- Slot-based delivery

After introducing this, we got an overwhelming response with customers reaching out to us across social media to communicate the unavailability of slots, which our AI-based WhatsApp bot took care of. It allowed us an effective addressal and recording of customer orders, solving their concerns. We are continuously working to enhance the experience and convenience for the customers.

# A Strong Front and back-end

The previous year saw 80% growth in the 'Omni-Channel' Gross Merchandise Value (GMV). This helped render a strong backend support combined with technology which aided us in tapping into the market and penetrating further by bringing new leads. This backend system is very scalable and robust. It has assisted us in tracking our consumption and inventory on a real-time basis.

# Tech-driven Culture that is Future-ready

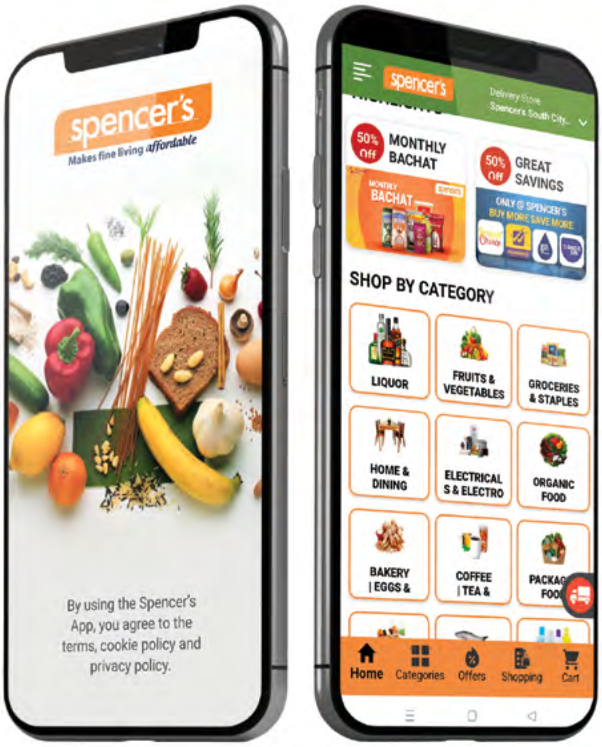
We have now invested in systems that handle sales forecasting. These systems have helped us find a pattern of customers' buying trends with extensive use of Python programming language. Through these intelligent tech resources, we use the data to understand our customers better and serve them according to their needs. We have developed systems with automatic reminders that alerts respective stores for product shortages and other notifications for process optimisation.

## Enterprise Resource Planning (ERP) Systems

We have also employed ERP systems to predict product demand, enabling us to track real-time consumption. This has also helped us keep track of our resources and improve our plans. Our supply chain reduced store inventories significantly through our advanced replenishment system.

## Finance and Processing Transactions

When we have high-volume transactions, there is a need for systems capable of handling such a load. For this, our finance team implemented Robotic Process Automation (RPA). We use this for high-volume transactions like collection, bank, and GST reconciliation. We also added new modules in SAP for IND-AS 116, E-invoicing, and implementing QR codes in our invoices – within the requirements of the statutory bodies.



By using the Spencer's App, you agree to the terms, cookie policy and privacy policy.

# Technology in Supply Chain

In order to manage our supply chain and inventories, we use the latest programming languages like Python and R. These are crucial to our supply chain, ensuring that we never run out of inventory by leveraging these technological interventions.

## Efficient Supply Chain

We achieved efficiency in the supply chain through centralised controls that ensure a lean-cost structure and also implemented the following:

- To ensure scalability, our backend systems are enabled by the SAP
- To reduce inventory cover, we have used technology both in transit and overall inventory
- To cover our sourcing from local to fresh items from farmlands, we introduced distribution and collection centres located across geographies
- To facilitate better process optimisation, we are implementing Warehouse Management System (WMS)
- To handle multi-variety and multi-dimensional data, we have used machine learning technology, also serving our objective of forecasting sales and optimum inventory

# Customer Feedback and Support

To help our customers across the country and address their concerns unhesitantly, we set up a multilingual call centre so that there is clear communication between our Company and customers. This was implemented through different ways like Toll-free Numbers, Phone, E-mails, Social Media Platforms, Website along with Your Views Matter (YVM) and Net Promoter Score (NPS).

## Our Technology Systems Strategies to Transform our Business Model

**Data in the Future:** Data is the future, and our data in the future will help us understand our consumers' choices of buying products. Therefore, we plan to be data-friendly and use it for decision-making and analysis. Going forward, we will focus on getting the relevant data, for thereon, altering our services in line with the same for enhanced decision-making.

**IT and Marketing Synergy:** Our marketing team works in tandem with the IT team to allocate resources that meet the new demands on increased digital solutions. Operating digital helps us manage resources better, and that eventually reduces our cost and helps us serve our customers in a better way.

**Application Features:** We plan to add more features on our mobile application to meet our customers' needs and to help us concise relevant data. Phone-based deliveries are an important part of our sales efforts, and so we plan to strengthen this area.

**Workforce Management:** One of our focus areas will be to improve backend ERP and prepare it for the future to manage our workforce better.

# Human Capital

When we talk about human capital, it's not only the people who work with us. It's the skills and values they bring along, and our surroundings shaping them. Their outlook towards life and ensuring that they get a good quality of life matters equally. As a Company, we have always placed our priorities in the best interests of our people. We believe if our employees are holistically taken care of, then they will bring long-term value to our Company.

With this philosophy, we listen to our employees about what they do and what they need, shaping our policies and programmes that can help them maximise their potential. We have been extremely fortunate to have had resilient, perseverant, and skilled employees who take our work quality towards new milestones every day. Our retail shelves and corporate backend have people willing to learn, bringing their technical expertise and best foot forward to align with our vision and line of business - and this has been one of the major reasons behind our success.

We have a strong Ethics Code of Conduct and therefore, conduct frequent awareness sessions both for new joiners and existing employees to make them understand the right way of doing and conducting business.

## What Sets the Spencer's Family Apart?

### Diverse Workforce

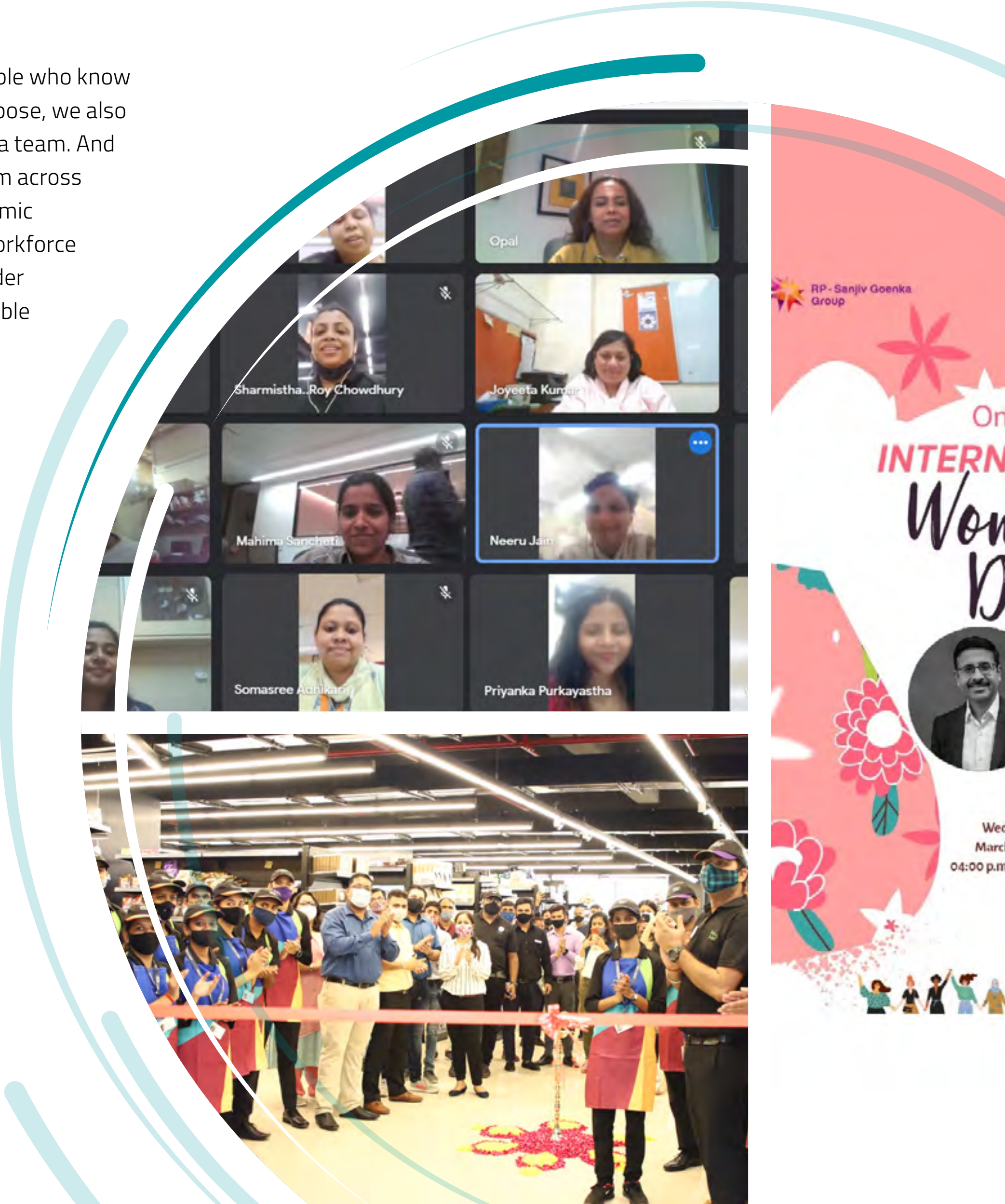
While we understand the need to hire people who know the field and align with our values and purpose, we also understand the importance of diversity in a team. And with diversity, we mean having people from across geographies that cut through socio-economic demographics. Women form 23% of our workforce and we plan to have a more equitable gender representation in our team in the foreseeable future. Socio-economic diversity is not the only part of our diversity, we actively hire people with disabilities in roles that are friendly to their working conditions like our front-desk reception.

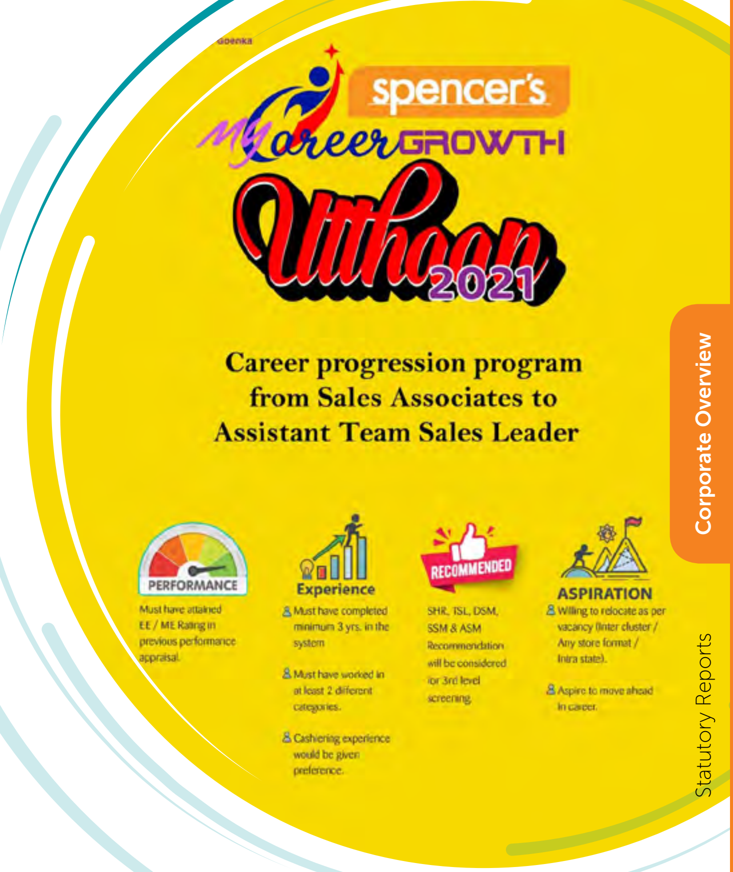
**5,462**

Total Workforce

**23%**

Women Employees





# Training and Development

On the one hand, it is important to have skilled people in the team for better quality and productivity. On the other hand, employees also need to expand and work on their current roles and responsibilities by exploring and working in various domains, and getting relevant knowledge and experience to take up higher leadership roles. Recognising these areas, we conduct workshops and training programmes around leadership, functional training, behavioural training, and much more.

## Some of the many training programmes that we conducted throughout the year are highlighted below:

### Foundational Training Programme and Parichay Customer First Training:

This training was a part of our talent development domain where we build the capacity of our existing workforce. We train our team on some of our foundational aspects that help them understand the world of work and get a hands-on of the field. We conducted three days of floor-based training that concluded with a detailed assessment and certifications for those who completed the training. Our Customer-First training inducted the employees on how to deal with customers and what are some of the best practices from across the domain. From the entry point to the exit, our idea is to give an experience to our customers so that they feel welcomed and their shopping experiences become more convenient. More than 5,000 employees took the training which includes promoters to area sales managers with a 74% completion rate.

### Rising Stars - Utthaan My Career Growth:

Rising Stars is part of our talent retention programme where we identify high performers from our team and help them understand and shape their career paths in our Company. Sales Associates, Team Sales Leaders, and Department Sales Managers participate in this programme. We have had people from across areas participate in this programme. The idea is to identify the strength and growth areas of the high-performing employees and enable them to move up the ladder.

Apart from these, we also had regular interaction of our team members with their Regional Managers (RMs) in our programme 'Maan ki Baat RM ke Saath' and launched a new uniform for the Spencer's family with a gender-neutral waistcoat and a separate winter attire. The idea is to have a team that exemplifies extreme professionalism in its appearance and behaviour and, at the same time, meets its regional leadership and directly interacts with them, celebrating all sorts of small and big wins together.

## Conducive Ecosystem

At Spencer's, we believe a happy environment, a supportive workplace, and opportunities for growth help employees bring their best potential to work. For this, we conduct regular check-in sessions with our teams to understand where they are mentally, and the challenges they face. We take regular feedback from them and encourage employees to reach out to anyone if they face difficulties with work or people. Our policies ensure that our team members are happy to come back to work the next day and not feel overwhelmed at the end of the day.

We also have regular performance reviews where team members and leads discuss strengths, areas of focus, and support mechanisms. Our reviews focus on highlighting growth areas and how employees can reach their full potential through their work.

Spencer's 'My Growth' programme is for our Company's employees who have successfully completed 1.5 years and 3 years with us and are ready to apply for Assistant Department Manager's and Department Manager's role, respectively. Employees who complete 2-3 years in our Company are then considered for the Store Manager's position. The intention is to build skills in the team and enable them to occupy more leadership roles.

## The New Normal Work Practice

Like every other company, Spencer's too was affected by COVID-19, and we were forced to change a lot of our ways of working immediately. Along with the business, our employees suffered losses in terms of time, money, energy, and mental health. We had to step up and make decisions to ensure that our employees maintained their quality of life, access to resources and stayed on top of their health to support themselves and their families. Realising the financial struggles they may be going through, we conducted vaccination drives for our team members. We consider it our responsibility to be a part of the process. Therefore, we gave financial protection through insurance to our frontline employees who have to work on the field even in the face of a global pandemic. We also provided them with medical care and other needs-based requirements, including financial aid. We have also introduced a policy for long-term support for our employees by employing the next of their kin, educational support to children and a gross salary of twelve months.

To acclimate with the new work normal, we provided facilities and training to our employees so that their transition from offline to online/hybrid work mode is smooth and hassle-free. For this, during the lockdown, we provided pick-up and drop facilities for our team to travel safely to and from work. To ensure their safety and awareness, we conducted regular awareness sessions with medical professionals so that they could access the necessary information and take precautions. Work-from-home needed digital infrastructure, and we provided our team with laptops and other infrastructure. Ultimately, we were able to come together and work under the new conditions with all the existing resources, but with the same excitement.

## UMANG and UTSAV - Rewards and Recognition Programme at Spencer's

To create an environment conducive to an employee's growth and learning, it needs to have room for appreciation, acknowledgement and recognition of all the efforts and hard work they bring to the table. 'UMANG' is our digital platform that introduces business leadership to disseminate important information to all the employees of the Company in terms of business numbers, future plans which recognises the Company's top talent. 'UTSAV' - our monthly score rewards and recognition programme was launched in March 2022, across 150 stores and attended by more than 5,000 team members. The idea is to establish a transparent channel for communication with the employees and, talk about new ideas, business plans, and align themselves with the objectives of the Company.

## Great Place To Work

We are extremely delighted to share that Spencer's Retail Limited, for the third year in a row, has been certified with 'Great Place to Work'. We wear this badge of honour as a testimony to our hardworking and talented workforce that has created a culture of high-quality and ethical work, empathy, and diversity.

### Strategies for the Subsequent Years

Moving forward, we wish to invest our time, money, and energy and create strategies in three major areas that we have identified for our human capital.

We will invest in hiring enthusiastic and talented people for the team. We will have new talents across boards and departments in the Company. Through our HR training, and personnel management, we will try to use their potential at best, and help them grow more in their careers and move up the ladder

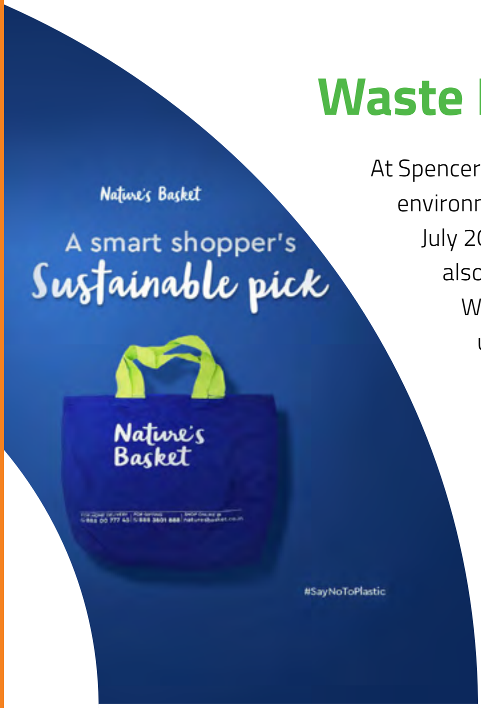
We are changing our operations to meet the dynamic demand of the customers and, in this process, we will need to train people to suit the ongoing and changing needs of this dynamic market and, therefore, changing needs of the Company. We will focus on re-training and re-evaluating our employees' strengths and their roles so that they are aligned to the Company's need for a skill pool

For the Company's sustainability, we have to ensure that our teams are capable of standing together and in strength in the face of difficulty. Therefore, we will be actively doing succession planning in the Company. Our goals are our priority, and we do not want a watered-down version but a strong succession team that takes ownership of decisions and ensures the proper execution of all the processes

# Natural Capital

Earth, our natural habitat, is full of rich resources that have enabled us to live with quality and peace. It is just for us to use these resources carefully and try to mitigate the damage caused to our environment. At Spencer's, we focus on making extensive qualitative investments to enhance value for all of our stakeholders.

We are currently actively working on four domains – waste management, energy management, GHG (greenhouse gases) emissions, and ecological impact.



## Waste Management

At Spencer's, we understand our usage of plastic, especially single-use. Taking care of our environmental responsibility, we have reduced using single-use plastics altogether. With effect from July 2022, and consumption of singe-use plastics will be completely stopped. Our Company has also formulated a policy under the Extended Producer Responsibility (EPR) that outlines Plastic Waste Management Rules and has encouraged all our stakeholders to do the same and tied up with some local bodies to effective disposal of waste . Through stringent policies, we wish to bring change on the ground using plastic and control the damage caused by them. We have also worked on water conservation and management & reused wastewater.

**52,000 kgs**

Usage of Cloth Bags

……

## Energy Management

Energy consumption is rising, and the total energy consumption is only expected to increase in the next couple of decades unless we have effective energy management systems in place. And while a good first step towards managing energy is switching off lights and fans when not in use, we at Spencer's use technology that helps us achieve much more. Our Company has invested in installing energy-efficient fittings, automatic lighting, water taps, and air dryers to be less dependent on manual intervention and be more technologically intelligent in saving energy. Some of our stores also have solar panels that significantly help us convert natural resources into electrical energy.

**400 kW**

Solar Power Capacity

**190**

Stores with E-billing Facility

## Greenhouse Gases Emission

Along with managing energy, installing solar panels in four of our stores has also helped us reduce our carbon footprint. We have also been introducing new ways of managing our supply chain and logistics, ensuring that we use minimal resources and reduce our carbon usage.

## Impact on Ecology

According to The World Counts, paper accounts for around 26% of the total waste in landfills. As is common knowledge, deforestation is one of the major causes of global warming. COVID-19 and the use of digital mediums for everyday transactions have helped us reduce our usage of paper. At Spencer's, we have increased our use of electronic transactions to minimise paper-based transactions. Apart from these, we have also invested in using handheld scanners and consciously consume less paper in the entire end-to-end transaction.

## Our Corporate Office, the RPSG House is a Certified Green Building by the Indian Green Building Council (IGBC)

For Spencer's, this is only the beginning of our efforts to ensure we co-exist with nature and respect the natural resources that make our lives convenient and this world habitable. Going further, we would put more effort into ensuring we understand our responsibility towards our environment, as does our Spencer's family.

Going ahead, our strategies will be:

- Increasing our reliance on non-conventional energy sources; expanding on our existing practice with solar energy, focus on looking for other means of efficient electricity consumption
- Lessening our usage of plastic and encourage consumers to look at alternatives to plastic
- Using electronic communication to reduce our usage of paper further and ensuring we hold educative sessions for our team members for a smooth transition from paper towards a digital infrastructure

# Social and Relationship Capital

A Company's social capital helps contribute to the communities it operates within, along with its internal and external stakeholders and people whom the company directly and indirectly impacts. Spencer's social relationship includes our equations with our customers, suppliers/vendors, and the community. We understand that our social capital directly relates with how a company performs, how cultures are created, and why people should trust us.

We work hard toward building a long-term relationship with our stakeholders. This helps us develop a meaningful relationship with our stakeholders based on trust.

## Spencer's Customer Delight

We believe that every customer who comes to Spencer's should have an experience in their journey with us. One of the prerequisites for that is understanding what the customers need and what can we do to make their lives easier and more convenient

- We were able to analyse customer needs through constant feedback from the existing customer base
- We set up Experience Zones for our customers for them to experience our products, to be able to touch and feel them. This allows them to make better judgements and therefore, helps us make customers happy in their purchases with us
- We launched campaigns for several customers on occasions like Diwali, Dhanteras, New Year and other special occasions. We understand that festivals have always been important to connect with their families and societies
- We want to make Spencer's a household name, and for that, we are working with reputed and upcoming media platforms with huge follower-base to reach people and introduce our services to them
- We ensured all of our products were delivered fresh and on time to all our customers in a pilot run. This service became one of our most loved services with the option of speed delivery under 90 minutes. This service has helped us get a lead in the retail space and help serve our customers better

**83%**

Repeat Customer Sales in FY 2021-22

# Vendors and Suppliers

Vendors and suppliers are important stakeholders in our product and operations lifecycle. A qualitative engagement with them helps us get timely products, high-quality products and raw materials and appropriate sourcing. All these contribute to our efficiency and quality of product delivery, impacting our sales, customer retention and customer satisfaction. We ensured that we understood the needs of our vendors and suppliers and helped them deliver quality products in time through timely payments, clear communication with them and establishing sources of communication in case there were complex processes. We also have a wide distribution channel that helps us in sourcing goods directly from manufacturers and have better terms for trading with suppliers to optimise our working capital requirement.

# Community Initiatives

We believe in the inclusive growth of the communities around us. For our sourcing needs, we have partnered with many apprentice institutions. We hold monthly workshops with these apprentice institutes to assure and enable a higher level of workforce quality. Through our Skill Development Programme, we have also employed several of our employees from the local community. Relationship development is an ongoing process at Spencer's. Through our Resident Welfare Association (RWA), we tied up with societies at large to support them during the pandemic.

**Some of our key focus areas going ahead will be:**

- To add more details and invest time in understanding the needs of our customers to be able to improve the customer experience for them
- To enhance our offerings and improvise on our previous offerings, working on feedback and bettering our products and services
- To create and continue working with sustainable business models through new policies and practices

fssai FOOD SAFETY AND STANDARDS AUTHORITY OF INDIA

Inspiring Trust, Assuring Safe & Nutritious Food

Hygienic and Sanitary Practices for Retailers

# Stakeholder Engagement

At Spencer's, our ability to create long-term sustainable value depends on open and constructive engagement with all our stakeholders. We often engage with our internal and external stakeholders to better understand and effectively meet their expectations and priorities.

## Customers

### Stakeholder Priorities

- More convenience
- Great service
- Affordable prices, good value
- Product quality and food safety
- Consistent availability
- Rewards for loyalty
- Community involvement

### Engagement Mode and Frequency

- Daily engagements in our stores
- RWA strategy
- Out-Of-Store model
- Customer-support helpline
- Regular customer surveys, consumer forums and online customer panels
- Various social media platforms

## Investors

### Stakeholder Priorities

- Ethical business practices and good corporate governance
- Sustainable performance and value creation
- ESG integration into strategy and operations
- Transparent reporting and disclosure

### Engagement Mode and Frequency

- Annual and quarterly investor meets/calls
- Investor presentations
- Annual General Meeting
- Investor grievance channels
- Annual Report

## Employees

### Stakeholder Priorities

- Training, career development and wellness programmes
- Performance evaluation and recognition
- Competitive rewards and remuneration
- Diverse, open, non-discriminatory, and safe working environment

### Engagement Mode and Frequency

- Weekly/monthly reviews
- Training and development workshops
- Engagement initiatives, HR forum, townhalls
- Performance appraisals

## Communities

### Stakeholder Priorities

- Social upliftment
- Community welfare initiatives

### Engagement Mode and Frequency

- RWA programmes
- Employee volunteering
- Regular training sessions

## Government/Regulators

### Stakeholder Priorities

- Compliance with rules and regulations
- Licenses
- Timely reporting through various compliance-based forms

### Engagement Mode and Frequency

- Mandatory regulatory filings
- Periodical submission of business performance
- Written communication
- Meetings in industry forums

## Suppliers/Vendors

### Stakeholder Priorities

- Fair and ethical procurement & engagement practices
- Pricing and favourable terms of payment
- Timely clearance

### Engagement Mode and Frequency

- Sustainable supply chain initiative
- Technology days
- Supplier meets
- Vendor council
- Audits

# Materiality at Spencer's

Materiality assessments give priority to stakeholder perspectives on critical issues that affect our business. It provides a chance to examine our Company's operations, risk management, and expansion prospects through a sustainable lens. As a responsible company, Spencer's gives the utmost significance to ongoing stakeholder involvement in order to analyse and comprehend practical concerns.

Material issues change over time, influenced by a number of reasons, including shifts in our economic, ecological, and social settings, shifting consumer demands and trends, improvements in operating systems and technology, shifts in our industry's competitive environment, etc. In order to decide the most sustainable course of action, we have defined a few material subjects to help us map stakeholder concerns with our business priorities. It enables us to prioritised these issues with regards to its potential to impact our business ability as we create and sustain value for our stakeholders over the short, medium and long-term. Consequently, assisting us in taking the appropriate action.

Through our materiality approach, we may enhance both internal and external decision-making and direct board and management meetings toward the main problems the Group manages. We think this not only enhances the information quality that is available to our stakeholders, but also makes it possible for a more effective and fruitful use of capital.

- **Stability of Retail Value Chain**
- **Security of Supply**
- **Customer Satisfaction**
- **Technology-led Processes**
- **Competitive Landscape**
- **Corporate Governance**
- **Financial Performance**
- **Community Benefit**
- **Employee Engagement**
- **Training and Development**
- **Compliance**
- **Risk Management Framework**
- **Government Initiatives and Missions**
- **Customer Privacy and Data Security**
- **Energy Management**
- **Environment Conservation**


spencer's

# Governance

An effective corporate governance framework allows companies to be ethical in their practices and remain sustainable in their business. Spencer's has always prioritised good governance as a testament to transparency and accountability. We are committed to high standards of governance and have a Board and various committees in place to ensure long-term success of our goals and objectives.

## Our Board

A good governance framework testifies the direction a Company is heading in. At Spencer's, our experienced directors bring in their technical and management expertise and set the tone for our Company, ensuring sustainable practices and strategic oversight. Our Board of Directors has a mix of Professional and Independent Directors, each bringing a set of competencies that guide and help us build and maintain a strong governance framework. Out of total Board Members, 50% of Board Members are Independent.

**50% (4 out of 8)**

Independent Directors

### Corporate Governance Framework

| | |
|---|---|
| **Diverse Board** | A balanced mix of directors guided by various committees and a code of conduct for ethical practices |
| **Management Team** | Continuous performance reviews and appraisals of teams under the guidance of the senior leadership |
| **Strong Internal Controls** | Well-equipped internal audit team and strong internal controls reviewed regularly |

## Our Principles of Good Corporate Governance

### Effective Policies

We have created specific ethical codes and policies to ensure that our operations are guided by trust, responsibility, and accountability. Staying ethical in our domain also helps us navigate any difficulty that arises in the workplace. This approach eventually leads to a more trustworthy place to stay and work at and is sustainable as the process is in place and stringently followed.

We have a code of conduct and prescribed guidelines that ensure the prevention of bribery and fraud. We also have internal mechanisms for the Prevention of Sexual Harassment (POSH), Insider Trading, and Whistleblower policies, among others. These processes help us stay true to our purpose and ensure no malpractice in the workplace.

## Stringent Internal Controls

We have an Audit Committee in place with four non-executive directors, three of whom are independent, ensuring strong internal control. Having a board with independent directors helps us provide credibility to our financial processes. It also helps put trust in our Company and our fair accounts. We also have a regular (monthly and quarterly) review of our financial and operational performance and an internal control system, reviewed by the Audit Committee Management.

### Insider Trading Compliance Management Tool

To comply with the SEBI (Prohibition of Insider Trading) Regulations, 2015, our secretarial team created Insider Trading Compliance Management Tool, that is an in-house structured digital database.

### Legal Compliance Management Tool

This is a centralised repository for all statutory compliances and licences created by our legal team with a customised checklist and approvals system.

### Our Board comprises several committees that help ensure all of our policies and processes are followed to the letter:

**Audit Committee:** This Committee comprises majority of independent directors who look after all financial and other functions in compliance with the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

**Nomination and Remuneration Committee:** This Committee oversees and reviews the performances of all the other committees, management teams, and directors.

**Stakeholders' Relationship Committee:** This Committee works toward strengthening our Company's stakeholders' relationships. It looks into the grievances of the investors and shareholders and resolves them considering everyone's best interests.

**Corporate Social Responsibility Committee:** This Committee looks into our Company's compliance with the Corporate Social Responsibility Policy.

**Risk Management Committee:** This Committee works toward identifying internal and external risks, especially those from the listed entities.

**4**

Board Meetings during 2021-22

# Board of Directors

**Dr. Sanjiv Goenka**

Non-executive Non-Independent Director and Chairman

**Mr. Shashwat Goenka**

Non-executive Non-Independent Director

**Mr. Utsav Parekh**

Non-executive Independent Director

**Mr. Pratip Chaudhuri**

Non-executive Independent Director

**Ms. Rekha Sethi**

Non-executive Independent Director

**Mr. Debanjan Mandal**

Non-executive Independent Director

**Mr. Devendra Chawla**

CEO & Managing Director

**Mr. Rahul Nayak**

Whole-time Director

# Our Management Team

**Mr. Shashwat Goenka**

Non-Executive Director

**Mr. Devendra Chawla**

CEO & Managing Director

**Mr. Rahul Nayak**

Whole-time Director

**Mr. Neelesh Bothra**

Chief Financial Officer

**Mr. Aniruddha Banerjee**

Chief Sales Officer

# Corporate Information

## Board of Directors

**Dr. Sanjiv Goenka**
Non-executive Non-Independent Director and Chairman

**Mr. Shashwat Goenka**
Non-executive Non-Independent Director

**Mr. Utsav Parekh**
Non-executive Independent Director

**Mr. Pratip Chaudhuri**
Non-executive Independent Director

**Ms. Rekha Sethi**
Non-executive Independent Director

**Mr. Debanjan Mandal**
Non-executive Independent Director

**Mr. Devendra Chawla**
CEO & Managing Director

**Mr. Rahul Nayak**
Whole-time Director

## Chief Financial Officer

**Mr. Neelesh Bothra**

## Company Secretary & Compliance Officer

**Mr. Rama Kant**

## Auditors

S.R. Batliboi & Co. LLP, Chartered Accountants

## Solicitors

Khaitan & Co.

## Registered Office

Duncan House, 31, Netaji Subhas Road,
Kolkata 700 001, India

**Tel :** 033-6625 7600

## Corporate Office

RPSG House, 2/4, Judges Court Road,
Kolkata 700027

**Tel:** 033-24871091

**Corporate Identity Number**
L74999WB2017PLC219355

**E-mail:** spencers.secretarial@rpsg.in

**Website:** www.spencersretail.com

## Wholly-owned Subsidiary

Natures Basket Limited
Omnipresent Retail India Private Limited

## Bankers

ICICI Bank Limited
Axis Bank Limited
Yes Bank Limited
HDFC Bank Limited
Standard Chartered Bank
RBL Bank Limited

## Listing of Shares

National Stock Exchange of India Limited (NSE)
BSE Limited (BSE)

## Registrar and Share Transfer Agent

Link Intime India Private Limited,
C 101, 1st Floor, 247 Park, L B S Marg, Vikhroli West,
Mumbai – 400083

**Tel:** + 91 22 49186270

**Email Id** - rnt.helpdesk@linkintime.co.in

**Website:** www.linkintime.co.in

## Depositories

National Securities Depository Limited (NSDL)
Central Depository Services (India) Limited (CDSL)

# NOTICE TO MEMBERS

**NOTICE** is hereby given that the **Fifth Annual General Meeting (AGM)** of the Members of Spencer's Retail Limited will be held on **Friday, July 29, 2022** at **12:30 p.m.** Indian Standard Time (IST), through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business:

## ORDINARY BUSINESS

1. **Adoption of**

   a. the audited financial statements of the Company for the financial year ended March 31, 2022 together with the Reports of Board of Directors and Auditors thereon; and

   b. the audited consolidated financial statements of the Company for the financial year ended March 31, 2022 together with the Report of Auditors thereon.

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   **"RESOLVED THAT**

   a. the audited financial statements of the Company for the financial year ended March 31, 2022 together with the Reports of Board of Directors and Auditors thereon, as circulated to the Members; and

   b. the audited consolidated financial statements of the Company for the financial year ended March 31, 2022 together with Report of Auditors thereon, as circulated to the Members,

   be and are hereby considered and adopted."

2. **Appointment of Dr. Sanjiv Goenka, who retires by rotation, as a Director.**

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   **"RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with Articles of Association of the Company, Dr. Sanjiv Goenka (DIN - 00074796), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company."

## SPECIAL BUSINESS

3. **Re-appointment of Mr. Devendra Chawla as the Chief Executive Officer and Managing Director of the Company.**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

   **"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') read with Schedule V to the Act and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), based on the approval and recommendation of the Nomination & Remuneration Committee and the Board of Directors, consent of the Members be and is hereby accorded to the re-appointment of Mr. Devendra Chawla (DIN: 03586196) as the Chief Executive Officer and Managing Director ('CEO & MD') of the Company for a period of three years, with effect from February 11, 2022 upto February 10, 2025, upon the terms and conditions as set out in the Statement annexed to the Notice under Section 102 of the Act, including the remuneration to be paid in the event of loss and / or inadequacy of profits in any financial year during his said tenure of re-appointment, with liberty to the Board of Directors ('Board') to revise/alter/modify/amend the terms and conditions of the said re-appointment and remuneration as it may deem fit and in such manner as may be agreed between the Board and Mr. Devendra Chawla.

**RESOLVED FURTHER THAT** the Board (including its Committee thereof) of the Company, be and are hereby severally authorised to do all such acts deeds, matters and things as may be necessary, proper and expedient to give effect to this Resolution."

4. **Re-appointment of Mr. Rahul Nayak as a Whole-time Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') read with Schedule V to the Act and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), based on the approval and recommendation of the Nomination & Remuneration Committee and the Board of Directors, consent of the Members be and is hereby accorded to the re-appointment of Mr. Rahul Nayak (DIN: 06491536) as Whole-time Director (WTD) of the Company for a period of three years, with effect from November 14, 2021 upto November 13, 2024, upon the terms and conditions as set out in the Statement annexed to the Notice under Section 102 of the Act, including the remuneration to be paid in the event of loss and / or inadequacy of profits in any financial year during his said tenure of re-appointment, with liberty to the Board of Directors ('Board') to revise/alter/modify/amend the terms and conditions of the said re-appointment and remuneration as it may deem fit and in such manner as may be agreed between the Board and Mr. Rahul Nayak;

**RESOLVED FURTHER THAT** the Board (including its Committee thereof) of the Company, be and are hereby severally authorised to do all such acts deeds, matters and things as may be necessary, proper and expedient to give effect to this Resolution."

**Registered office**

Duncan House
31, Netaji Subhas Road,
Kolkata – 700 001
CIN: L74999WB2017PLC219355
E-mail: spencers.secretarial@rpsg.in
Website: www.spencersretail.com

Kolkata, May 12, 2022

By Order of the Board of Directors

**Rama Kant**
Company Secretary & Compliance Officer
(Membership No. FCS 4818)

## NOTES:

1. The Statement pursuant to Section 102 of the Companies Act, 2013 ('Act') setting out material facts relating to the Special Business under item **No. 3 and 4** of the Notice is annexed hereto. Further, the relevant details with respect to item **No. 2 to 4** pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this AGM are also annexed.

2. A) Pursuant to the General Circular numbers 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021 and 2/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021 and May 5, 2022 respectively issued by Ministry of Corporate Affairs (MCA), Government of India and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFO/CHD2/CIR/P/2022/62 dated May 13, 2022 issued by Securities and Exchange Board of India (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM during the calendar year 2022 through Video Conferencing (VC) / Other Audio Video Means (OAVM).

   B) AGM through VC/OAVM:

      a) Members are requested to join the AGM on Friday, July 29, 2022 through VC/OAVM mode latest by 12:15 p.m. IST by clicking on the link https://www.evoting.nsdl.com/ under members login, where the E-voting Event Number (EVEN) of the Company will be displayed, by using the remote evoting credentials and following the procedures mentioned later in these Notes. The said process of joining the AGM will commence from 11:30 a.m. IST and may be closed at 12:45 p.m. IST, or, soon thereafter.

      b) The facility of attending the AGM will be made available upto 1000 members on a first-cum-first served basis

      c) Members who would like to express any views or ask questions during the AGM may do so in advance by sending in writing their views or questions, as may be, along with their name, DP ID and Client ID number / folio number, email id and mobile number to the Company's email address at spencersagm2022@rpsg.in latest by Monday, July 25, 2022, by 5:00 p.m. IST.

      d) When a pre-registered speaker is invited to raise at the AGM his/her questions, already emailed in advance as requested in para (c) above, but he/she does not respond, the turn will go to the next pre-registered speaker to raise his/her questions. Accordingly, all speakers are requested to get connected to a device with a video/camera along with stable internet speed.

      e) The Company reserves the right to restrict the number of questions/speakers, as appropriate, for smooth conduct of the AGM.

3. SEBI has decided that securities of listed companies can be transferred only in dematerialised form and therefore, members are advised to dematerialise as early as possible the shares of the Company held by them in physical form.

4. The Register of Members of the Company will remain closed from July 22, 2022 to July 29, 2022, both days inclusive.

5. All documents referred to in the Notice are uploaded on the Company's website and can be accessed at www.spencersretail.com.

6. **Instructions for attending the AGM**

   i) In view of continuing impact of COVID-19 pandemic, social distancing norm has to be followed and pursuant to the Circulars, physical attendance of the members at the AGM is not required and AGM has to be held through VC/OAVM. Hence, members can attend and participate at the ensuing AGM only through VC/OAVM as mentioned in Note 2(B) above as arranged by the Company with National Securities Depository Limited (NSDL).

   ii) Members may access NSDL e-Voting system by following the steps mentioned above and after successful login, they will be requested to click on VC/OAVM link placed under "Join General Meeting" menu against Company name. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed.

iii) Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

iv. Since the AGM will be held through VC/OAVM, where physical attendance of members has been dispensed with, there is no requirement of proxies and hence, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Corporate Members intending to authorise their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorisation letter to the Scrutiniser by e-mail to smguptaandco@yahoo.co.in with a copy marked to evoting@nsdl.co.in.

v) The facility of participation at the AGM through VC/ OAVM will be made available upto 1000 members on first come first served basis. This will not include Large Members (i.e. Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

vi) In compliance with the Circulars, Notice of the AGM along with the Annual Report for the year 2021-22 are being sent only through electronic mode to those Members whose email addresses are registered with the Company or CDSL and NSDL ("Depositories"). Members may note that the Notice and Annual Report for the year 2021-22 will also be available on the Company's website www.spencersretail.com and websites of the Stock Exchanges where the shares of the Company are listed i.e. BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') at www.bseindia.com and www.nseindia.com respectively. Additionally, Notice of the AGM will also be available at www.evoting.nsdl.com.

vii) Members whose email addresses are not registered as above can register the same in the following manner:

a) Members holding share(s) in physical mode are requested to send the following details for registration of their email id: Folio No., Name of shareholder, Mobile no., email id, Bank Account details such as Bank and Branch name, Account no. and IFSC Code and self-attested scanned copy of PAN card by email to Spencer's Retail Limited at spencers.secretarial@rpsg.in or to the Registrar and Share Transfer Agent of the Company, Link Intime India Private Limited at rnt.helpdesk@linkintime.co.in or upload the same at https://web.linkintime.co.in/emailreg/emailregister.html.

b) Members holding share(s) in electronic mode are requested to register / update their e-mail addresses and Bank Account details as mentioned above with their respective Depository Participants ("DPs") for receiving all communications from the Company electronically.

viii) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

ix) Since AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.

x) During the AGM, members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon logging to NSDL e-voting system at www. evoting.nsdl.com.

xi) Members who need assistance before or during the AGM with regard to use of technology, can:

a) Send a request at evoting@nsdl.co.in or use Toll free no.: 1800 1020 990 / 1800 224 430

b) Contact Ms. Pallavi Mhatre, Manager, NSDL at the designated email ID: evoting@nsdl.co.in.

xii) Members are encouraged to join the Meeting through Laptops for better experience. When the meeting is in progress, please keep your device under 'Mute' mode, except when you have pre-registered yourself as a speaker and is invited to speak at the AGM.

xiii) Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

xiv) Institutional Investors who are Members of the Company, are encouraged to attend and vote in the AGM of the Company through VC/OAVM facility.

7. **Instructions for Voting through electronic means:**

Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an arrangement with NSDL for facilitating e-voting through electronic means, as the authorised agency. The facility of casting vote by a member using remote e-voting system during the meeting on the date of the AGM will also be provided by NSDL.

The remote e-voting period begins on Tuesday, July 26, 2022 at 9.00 a.m. and ends on Thursday, July 28, 2022 at 5.00 p.m. The remote e-voting will not be allowed beyond the aforesaid date and the remote e-voting module shall be disabled by NSDL upon expiry of the aforesaid period.

The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date), i.e, July 22, 2022 may cast their vote electronically.

The voting rights of a Member/Beneficial owner (in case of electronic shareholding) shall be in proportion to his/her/its shareholding in the paid up equity capital of the Company as on the cut-off date, being July 22, 2022.

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**

### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp |

| | |
|---|---|
| | 3. 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 on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>4. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience.<br>**NSDL Mobile App is available on**<br>App Store Google Play |
| Individual Shareholders holding securities in demat mode with Central Depository Services (India) Limited | 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.<br>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote.<br>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration<br>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/Central Depository Services (India) Limited for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/ Central Depository Services (India) Limited Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 224 430 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact Central Depository Services (India) Limited helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43 |

## B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

### How to Log-in to NSDL e-Voting website?

i) 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 on a mobile.

ii) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

iii) A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively,* if you are registered for NSDL eservices i.e. IDeAS, you can log-in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

iv) 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. | 8 Character DP ID followed by 8 Digit Client ID<br>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<br>For example if your Beneficiary ID is 12************** then your user ID is 12************** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the Company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

v) Password details for shareholders other than Individual shareholders are given below:

a) If you are already registered for e-Voting, then you can user your existing password to login 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'?

- If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for Central Depository Services (India) Limited account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

vi) 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 Central Depository Services (India) Limited) 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 etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

vii) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

viii) Now, you will have to click on "Login" button.

ix) After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

i) After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

ii) Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

iii) Now you are ready for e-Voting as the Voting page opens.

iv) 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.

v) Upon confirmation, the message "Vote cast successfully" will be displayed.

vi) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

vii) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

i) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. 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. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting"** tab in their login.

ii) Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. July 22, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/ RTA at rnt.helpdesk@linkintime.co.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 forgot 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 or call on toll free no. 1800 1020 990 and 1800 224 430. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. July 22, 2022 may follow steps mentioned in the Notice of the AGM under Step 1 :"Access to NSDL e-Voting system"(Above).

iii) 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.

iv) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 224 430 or send a request to Ms. Pallavi Mhatre, Manager NSDL at evoting@nsdl.co.in.

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:**

i) In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN card to Company's Register & Transfer Agent Link Intime India Private Limited at rnt.helpdesk@linkintime.co.in or to the Company at spencers.secretarial@rpsg.in.

ii) Members holding share(s) electronic mode are requested to register / update their e-mail addresses as mentioned above with their respective Depository Participants ("DPs"), If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

iii) Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

iv) In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

## C) THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

ii) Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

iii) Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

iv) The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

8. **Other instructions**

   i) The voting rights of the members shall be in proportion to their shares on the paid-up equity share capital of the Company as on the cut-off date, i.e. July 22, 2022.

   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 or casting vote through e-Voting system during the Meeting.

   ii) Mr. S.M.Gupta, Practicing Company Secretary, (Membership No. FCS 896) has been appointed as the Scrutiniser to scrutinise the remote e-Voting process and votes cast through the e-Voting system during the Meeting in a fair and transparent manner.

   iii) The Scrutiniser shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting system and shall make a consolidated Scrutiniser's Report.

   iv) The Results of voting will be declared within two working days 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 NSE and BSE Limited.

**Registered office**
Duncan House,
31, Netaji Subhas Road,
Kolkata – 700 001
CIN: L74999WB2017PLC219355
E-mail: spencers.secretarial@rpsg.in
Website: www.spencersretail.com
Kolkata, May 12, 2022

By Order of the Board of Directors

**Rama Kant**
Company Secretary & Compliance Officer
(Membership No. FCS-4818)

## STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

**The following Statement sets out all material facts relating to the business mentioned under Item Nos. 3 and 4 of the accompanying Notice:**

### Item No-3

Mr. Devandra Chawla ('Mr. Chawla') (DIN: 03586196) was appointed as the Chief Executive Officer & Managing Director (CEO & MD) of the Company for a period of three years effective from February 11, 2019, and the said appointment was approved by the members of the Company at their Second Annual General Meeting held on July 19, 2019. The proposed appointment and terms and conditions including remuneration were in accordance with the applicable provisions of the Companies Act, 2013 ("Act") read with relevant rules and the schedule thereunder.

The aforesaid term of appointment expired on February 10, 2022 and considering his performance and deliverables, the Board of Directors ('Board') in its meeting held on November 12, 2021, upon recommendation of the Nomination and Remuneration Committee (NRC), has approved and recommended his re-appointment for a further period of 3 years w.e.f February 11, 2022.

Mr. Chawla has given his consent for re-appointment as the CEO & MD of the Company. Further, as per confirmation received from him, he is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act.

**Broad particulars of the terms of re-appointment and remuneration payable to Mr. Chawla are as follows:-**

Basic Salary ₹ 1,55,06,436/- per annum, House Rent Allowance ₹ 77,53,224/- per annum, Special Allowance ₹ 2,46,82,518 per annum with such other benefits as may be decided by the NRC of the Board of Directors of the Company. Further apart from the above he would also be entitled to receive such Performance Bonus, Periodical Increment, ESOP, Perquisites and any other benefits as may be decided by the Board from time to time.

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 as per the provisions of Clause (b) (i) of Section III of Part II, Schedule V to the Act.

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 specialised 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.

### Item No-4

Mr. Rahul Nayak ('Mr. Nayak') (DIN: 06491536) was appointed as the Whole-time Director of the Company for a period of three years effective from November 14, 2018, and the said appointment was approved by the members of the Company at their Second Annual General Meeting held on July 19, 2019. The proposed appointment and terms and conditions including remuneration were in accordance with the applicable provisions of the Act read with relevant rules and schedule thereunder.

The aforesaid term of appointment expired on November 13, 2021 and considering his performance and deliverables, the Board, in its meeting held on November 12, 2021, upon recommendation of the NRC, has approved and recommended his re-appointment for a further period of 3 years w.e.f November 14, 2021.

Mr. Nayak has given his consent for re-appointment as a Whole-time Director of the Company. Further, as per confirmation received from him, he is not disqualified from being re-appointed as a Director of the Company in terms of Section 164 of the Act.

**Broad particulars of the terms of re-appointment and remuneration payable to Mr. Nayak are as follows:-**

Basic Salary ₹ 48,03,624/- per annum, House Rent Allowance ₹ 24,01,812/- per annum, Special Allowance: ₹ 68,62,698/- per annum with such other benefits as may be decided by the NRC of the Board of Directors of the Company. Further apart from the above he would also be entitled to receive such Performance Bonus, Periodical Increment, ESOP, Perquisites and any other benefits as may be decided by the Board of Directors ('Board') from time to time.

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 pay and allowances as per the rules of the Company.

The said remuneration proposed to be paid to Mr. Nayak is as per the provisions of Clause (b)(i) of Section III of Part II, Schedule V to the Act.

Mr. Nayak 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 specialised 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 NRC as it may in its discretion deem fit.

**The Information required under item (B) of Section II, Part II of Schedule V to the Act for the appointment of Mr. Chawla and Mr. Nayak are given below:**

## I. General Information

1) **Nature of Industry:** The Company is engaged in retail trading of food, non-food items etc.

2) **Date of commencement of commercial production:** The Company was incorporated on February 8, 2017. Retail Business of erstwhile Spencer's Retail Limited and CESC Limited were transferred to Spencer's Retail Limited with effect from October 1, 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 Lakhs)

| **Summary of Financial Results** | **2021-22** | **2020-21** |
|---|---|---|
| Total Income | 2,06,710.74 | 2,11,613.21 |
| Profit / (loss) before Tax | (8,456.46) | (12,793.12) |
| Profit / (loss)after Tax | (8,456.46) | (12,793.12) |

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

NOTICE TO MEMBERS (Contd.)

## II. Information about the Appointees:

| S.No. | Particulars | Mr. Chawla | Mr. Nayak |
|---|---|---|---|
| 1. | Background details | Mr. Devendra Chawla has a rich experience of 27 years (including last three years at Spencer's) in the field of consumer facing companies like Asian Paints, Coca Cola where he was director - area operations and then director - customer service. He was also CEO of Future Consumer Limited and group president for Food / FMCG Business for future group. In his last role, he was Chief Operating Officer / Executive Vice President and a member of Board of Walmart India. He holds B.E. and MBA degrees and is an alumnus of Harvard Business School. | Mr. Rahul Nayak has a rich experience of around 23 years (including last five years at Spencer's) 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 | ₹ 969.39 Lakh (includes the arrear amount) approximately for the period from April 1, 2020 to March 31, 2021. | ₹ 170.89 Lakh approximately for the period from April 1, 2020 to March 31, 2021 |
| 3. | Recognition or awards | None | None |
| 4. | Job profile and his suitability | Please see (1) above. | Please see (1) above. |
| 5. | Remuneration proposed | Refer Item no. 3 of the Statement | Refer Item no. 4 of the Statement |
| 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. | 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 CEO and MD, Mr. Chawla has no other pecuniary relationship with the Company. | Except for receiving remuneration from the Company as a Whole-time Director, Mr. Nayak has no other pecuniary relationship with the Company. |

## III. Other Information

1) **Reason of loss or inadequate profits:** The Company's loss after tax amounted to ₹ 8456.46 Lakhs for the financial year 2021-22. The retail industry is highly competitive and operates on relatively low margins. The intent is to aggressively pursue growth in the medium term. The scale achieved through significant growth will be a key factor that would improve the profitability of operations in due course.

2) **Steps taken or proposed to be taken for improvement:** The Company has taken various initiatives to increase its profitability including increase in online sale, growth in non-food business etc. The Company increased their local consumer connect using "Stores as hubs" and via hyper local approach for its "Out of Store" 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 and Mr. Nayak may be deemed to be concerned or interested in the Resolution appearing in Item no. 3 and 4 respectively of this Notice. None other Director or Key Managerial Personnel of the Company or their relative is concerned or interested therein.

Considering Mr. Chawla's and Mr. Nayak's in-depth knowledge about business, extensive financial expertise and long association with the Company, the Board is of the opinion that continuation of Mr. Chawla and Mr. Nayak on the Board will be in the interest of the Company and recommends the resolution set forth in Item No. 3 and 4 for the approval of Members as Special Resolution.

**Registered office**
Duncan House
31, Netaji Subhas Road,
Kolkata – 700 001
CIN: L74999WB2017PLC219355
E-mail: spencers.secretarial@rpsg.in
Website: www.spencersretail.com
Kolkata, May 12, 2022

By Order of the Board of Directors

**Rama Kant**
Company Secretary & Compliance Officer
(Membership No. FCS-4818)

## Details of the Directors seeking appointment/re-appointment at the AGM

**[Pursuant to 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India]**

| Name of Director | Dr. Sanjiv Goenka | Mr. Devendra Chawla | Mr. Rahul Nayak |
|---|---|---|---|
| **Director Identification No. (DIN)** | 00074796<br>(Category: Non-Executive Non-Independent Director) | 03586196<br>(Category: Chief Executive Officer & Managing Director) | 06491536<br>(Category: Whole-time Director) |
| **Date of birth and Age** | January 29, 1961 (61 years) | April 13, 1972 (50 years) | October 24, 1976 (45 years) |
| **Date of first appointment** | November 14, 2018 | February 11, 2019 | November 14, 2018 |
| **Qualification** | Dr. Goenka is a Commerce Graduate from St. Xavier's College, Kolkata. Dr. Sanjiv Goenka has received numerous awards and Four Honorary Doctoral Degrees. | B.E. and MBA degrees and is an alumnus of Harvard Business School. | PGDBA in Marketing. |
| **Expertise in specific functional areas** | Dr. Sanjiv Goenka is the Chairman of the Company and also of ₹ 51,000 crore RP-Sanjiv Goenka Group which has over 45,000 employees and over 5,00,000 shareholders with annual revenues of more than ₹ 30,700 crore.<br>Dr. Goenka was the youngest-ever President of the Confederation of Indian Industry (CII) and of the Indian Chamber of Commerce. He is also former President of the All India Management Association. He is presently the Chairman of the Board of Governors of the Indian Institute of Technology, Kharagpur. This is the fourth time Dr. Goenka has been bestowed this honour.<br>Dr. Goenka is also the Chairman of the Board of Governors of International Management Institute, Delhi, Bhubaneswar and Kolkata. | Mr. Devendra Chawla, has a rich experience of 27 years (including last three years at Spencer's) in the field of consumer facing companies like Asian Paints, Coca Cola where he was director - area operations and then director - customer service. He was also CEO of Future Consumer Limited and group president for Food / FMCG Business for future group. In his last role, he was Chief Operating Officer / Executive Vice President and a member of Board of Walmart India. | Mr. Rahul Nayak, has a rich experience of around 23 years (including last five years at Spencer's) 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. |

| **Name of Director** | **Dr. Sanjiv Goenka** | **Mr. Devendra Chawla** | **Mr. Rahul Nayak** |
|---|---|---|---|
| **List of other directorships held** | • CESC Limited;<br>• PCBL Limited (Formerly known as Philips Carbon Black Limited)<br>• Firstsource Solutions Limited<br>• RPSG Ventures Limited<br>• Saregama India Limited<br>• Spencer and Company Limited<br>• Spencer's International Hotels Limited<br>• Haldia Energy Limited and<br>• ATK Mohun Bagan Private Limited | Natures Basket Limited | NIL |
| **Chairman/Member of the Committees of Board of Directors of the Company** | • Nomination and Remuneration Committee- Member<br>• Stakeholders Relationship Committee – Chairman<br>• Corporate Social Responsibility Committee – Chairman | Risk Management Committee - Member | • Stakeholders Relationship Committee – Member<br>• Risk Management Committee - Member |
| **Chairman/Member of the Committees of Board of Directors of other Indian Public Limited Companies in which he is a director**<br><br>*Chairman of the Commitee | **CESC Limited**<br>• Audit Committee<br>• Stakeholders' Relationship Committee*<br>• Nomination and Remuneration Committee<br>• Corporate Social Responsibility Committee*<br>**RPSG Ventures Limited**<br>• Audit Committee<br>• Stakeholders' Relationship Committee*<br>• Nomination and Remuneration Committee<br>**Saregama India Limited**<br>• Stakeholders' Relationship Committee* | NIL | NIL |
| **Shareholding in the Company (as on March 31, 2022)** | 91,659 Equity shares | NIL | NIL |

NOTICE TO MEMBERS (Contd.)

| Name of Director | Dr. Sanjiv Goenka | Mr. Devendra Chawla | Mr. Rahul Nayak |
|---|---|---|---|
| **Relationship with other Directors, Managers and KMPs** | Except Dr. Sanjiv Goenka being an appointee, and Mr. Shashwat Goenka, being related to Dr. Sanjiv Goenka, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise, in the Resolution as set out at Item No.2 of the Notice. | None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise, in the Resolution as set out in Item No 3 of the Notice. | None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise, in the Resolution as set out in Item No 4 of the Notice. |
| **Board Meeting attended during financial year 2021-22** | Four (4) | Four (4) | Four (4) |
| **Terms and conditions of appointment / re-appointment** | In terms of section 152(6) of the Companies Act, 2013, he is liable to retie by rotation at this meeting. | As per resolution no. 3 of the Notice of this meeting read with statement thereto, he is proposed to be re-appointed for a further period of 3 years w.e.f. February 11, 2022. | As per resolution no. 4 of the Notice of this meeting read with statement thereto, he is proposed to be re-appointed for a further period of 3 years w.e.f. November 14, 2021. |
| **Details of remuneration / sitting fees sought to be paid and the remuneration last drawn** | Dr. Sanjiv Goenka shall be entitled to sitting fees for attending meetings of the Board and Committees thereof as may be approved by the Nomination and Remuneration Committee and / or the Board of Directors of the Company, from time to time.<br>The details of sitting fees paid to Dr. Sanjiv Goenka during financial year 2021-22 have been disclosed in the Corporate Governance Report of the Company. | The details of remuneration paid to Mr. Devendra Chawla during financial year 2021-22 have been disclosed in the statement under section 102 of the Act and Corporate Governance Report of the Company. | The details of remuneration paid to Mr. Rahul Nayak during financial year 2021-22 have been disclosed in the Statement under section 102 of the Act and Corporate Governance Report of the Company. |

**Registered office**
Duncan House,
31, Netaji Subhas Road,
Kolkata – 700 001
CIN: L74999WB2017PLC219355
E-mail: spencers.secretarial@rpsg.in
Website: www.spencersretail.com
Kolkata, May 12, 2022

By Order of the Board of Directors

**Rama Kant**
Company Secretary & Compliance Officer
(Membership No. FCS-4818)

# Board's Report

**Dear Members,**

The Board of Directors ("Board") have pleasure in presenting the Fifth Board's Report on the business and operations of the Company together with the audited financial statements for the financial year ended March 31, 2022.

## FINANCIAL HIGHLIGHTS

In compliance with the provisions of the Companies Act, 2013 ("Act"), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company has prepared its standalone and consolidated financial statements as per Indian Accounting Standards ('Ind AS') for the Financial Year 2021-22. The standalone and consolidated financial highlights of the Company's operations are as follows:

(₹ in Lakhs)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Revenue from operations and other income | 2,06,710.74 | 2,11,613.21 | 2,37,654.67 | 2,48,146.90 |
| Earnings before interest expenses, tax, depreciation and amortisation (EBITDA) | 8,497.41 | 4,710.08 | 10,077.13 | 6,134.79 |
| Finance costs | 7,600.82 | 6,886.27 | 9,696.61 | 9,134.19 |
| Depreciation and amortisation expense | 9,353.05 | 10,616.93 | 12,575.00 | 13,421.03 |
| Profit / (Loss) before tax | (8,456.46) | (12,793.12) | (12,194.48) | (16,420.43) |
| Tax expenses | - | - | (48.44) | (35.25) |
| Profit / (Loss) after tax | (8,456.46) | (12,793.12) | (12,146.04) | (16,385.18) |
| Other comprehensive income | (315.90) | (66.56) | (316.41) | (65.42) |
| Total comprehensive income for the year | (8,772.36) | (12,859.68) | (12,462.45) | (16,450.60) |

## PERFORMANCE OVERVIEW

Spencer's Retail Limited ("SRL" or "Spencer's"), the retail arm of RP-Sanjiv Goenka Group, opened 8 new stores (4 in Spencer's and 4 in Natures Basket) spanning around 0.69 lakh square feet (0.53 lakh in Spencer's and 0.16 lakh in Natures Basket) of retail space during the financial year ended on March 31, 2022. The stores caters to essentials such as groceries, fresh products, general merchandise, personal care products, apparel and accessories, consumer durables and other lifestyle products.

The financial year was unpredictable and challenging with continued pressure of pandamic, In the challenging environment Spencer's has shown immense resilience in tackling the crisis as it continues the remediation path.

As compared to last year, the Q1 lockdown was stronger, which also had contracted the consumer demand. A robust Business Continuity Plan was in place and regular monitoring of the situation was done by a dedicated committee. Maximum stores were operational during the year which has helped us to serve the nation during such a global healthcare crisis, while taking all necessary precautions.

As the nation recovers from the pandemic, the Company has resumed its growth trajectory. We have witnessed quarter-on-quarter recovery in our business, however revenue and margins during the financial year were impacted due to limited selling of higher-margin non-essential items such as apparels, general merchandise and other non-food items. As at the end of March 31, 2022, our consolidated revenue (including other income) stood at ₹ 2,37,654.67 lakhs. Our strong financial management and saving programme has helped us protect our business model against raising input costs as we kept our EBITDA at a healthy 4.2%.

While working on minimising the impact through actions above, we continue with our core strategy to focus on higher margin non-food categories. Though they were impacted sharply during the year, they are crucial for pivoting the business model to significant profitability. As lockdown restrictions were eased, the traction for Non-food business touched Pre-Pandemic levels especially in the Diwali Festive season.

Apart from our focus on higher margin non-food category, the second piece of our strategy is centered around accelerating expansion of "Out of Store" business. Our Out of Store business has sustained momentum and it continues to grow from last year by 1.8 times. We also made investments to strengthen our mobile application and technology. We are focusing on increasing our reach to consumers with local consumer connect using "Stores as hubs" and via hyper local approach for our Out of Store business.

## DIVIDEND

In view of the accumulated losses, the Board of Directors of the Company didn't declare any dividend for the financial year ended on March 31, 2022.

However, as required under the SEBI Listing Regulations, Dividend Distribution Policy of the Company, has been uploaded on the website of the Company and can be accessed at http://www.spencersretail.com/investor.

## MANAGEMENT DISCUSSION AND ANALYSIS

In compliance with Regulation 34(2)(e) of the SEBI Listing Regulations, a separate section on the Management Discussion and Analysis **(Annexure-A),** which includes details review of operations, performance and future outlook of the Company, is annexed hereto forming part of this Report.

## CORPORATE GOVERNANCE

The Company is committed to follow and implement best practices in Corporate Governance, in letter and spirit. A separate Report on Corporate Governance **(Annexure-B)** along with Additional Shareholder's Information **(Annexure-C),** as prescribed under SEBI Listing Regulations, together with a certificate issued by M/s. S.M Gupta & Co., Secretarial Auditor of the Company, confirming compliance, are annexed to this Report.

## ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022 is available on the website of the Company at http://www.spencersretail.com/investor.

## BUSINESS RESPONSIBILITY REPORT

A detailed Business Responsibility Report **(Annexure-D)** as required under Regulation 34(2)(f) of the SEBI Listing Regulations, is annexed hereto and forms a part of this Report.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, the Board, on recommendation of the Nomination and Remuneration Committee (NRC) and after evaluating their individual performance and considering the Company's growth under their leadership, approved the re-appointment of Mr. Devendra Chawla {Director Identification Number (DIN): 03586196} as the Chief Executive Officer & Managing Director and Mr. Rahul Nayak (DIN: 06491536) as Whole-time Director of the Company for a further term of 3 years w.e.f. February 11, 2022 and November 14, 2021 respectively, subject to approval of the members in the Fifth Annual General Meeting (AGM) of the Company.

In terms of the provisions of Section 152 of the Act read with Article 100 of the Articles of Association of the Company, Dr. Sanjiv Goenka (DIN: 00074796), Director of the Company, retires by rotation and, being eligible, offers himself for re-appointment.

Necessary resolutions and details of the aforesaid Directors appointment / re-appointments and remuneration including criteria for determining qualifications, positive attributes, forms part of Notice convening the Fifth AGM.

In the opinion of the Board, all the directors possess the requisite qualifications, experience and expertise and hold high standards of integrity. All the Independent Directors are exempt from the requirement of passing the proficiency test. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the Act and the SEBI Listing Regulations. In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have registered their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

During the year under review, none of the Director received any remuneration or commission from any of the Company's subsidiaries. The Non-Executive Directors (NEDs) of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, received by them.

During the year under review, Mr. Neelesh Bothra was appointed as the Chief Financial Officer of the Company with effect from February 9, 2022 in place of Mr. Kumar Tanmay.

## NUMBER OF MEETINGS OF BOARD OF DIRECTORS

During the year under review, Four Board meetings were held, the details of which are given in the Corporate Governance Report which forms part of this Report.

## SHARE CAPITAL

The paid-up Share Capital of the Company as on March 31, 2022 stood at ₹ 50,06,60,045 comprising 9,01,32,009 equity shares of ₹ 5/- each and 5,00,000 preference shares of ₹ 100/- each. During the year under review, the Company has not issued any equity shares with or without differential rights, granted stock options or issued sweat equity shares.

## LISTING

The equity shares of the Company are listed on BSE Limited ('BSE') and on National Stock Exchange of India Limited ('NSE'). The Company has paid the requisite listing fees to the Stock Exchanges up to the financial year 2022-23.

## PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits from Public / Members under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. The Company does not have any unpaid / unclaimed deposits as on March 31, 2022.

## STATUTORY AUDITORS AND AUDITORS' REPORT

As per the requirement of section 139(2) of the Act, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E300005), were appointed as the Statutory Auditors of the Company for a term of five consecutive years at the third Annual General Meeting of the Company held on August 3, 2020.

The Board has examined the Auditors' Report to the accounts and clarifications, wherever necessary, have been included in the notes to the accounts. Further, the Auditors Report does not contain any qualifications, adverse or disclaimer remarks. No fraud has been reported by the Auditors to the Audit Committee or to the Board.

## SECRETARIAL AUDITORS' AND AUDITORS' REPORT

The Board had appointed M/s. S. M. Gupta & Co., Company Secretaries (Membership No. FCS 896), to conduct Secretarial Audit of the Company for the financial year 2021-22.

Secretarial audit of secretarial and related records of the Company was conducted by the aforesaid auditor and a copy of the Secretarial Audit Report is annexed to this Report **(Annexure-E)**. Secretarial Audit Report of NBL, a material unlisted subsidiary of the Company, is also attached to the Report **(Annexure-E1)**. None of the above Secretarial Audit Reports contain any qualifications, reservations, adverse remarks or disclaimers.

## SECRETARIAL STANDARDS

During the year under review, the Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs, Govt. of India, relating to Meetings of the Board of Directors and General Meeting(s) respectively.

## RELATED-PARTY TRANSACTIONS

All contracts / arrangements / transactions entered by the Company during the financial year under review with related parties, were in ordinary course of business and at an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties having potential conflict with the interests of the Company and which could be considered materially significant. Therefore, the disclosure of Related Party Transactions (RPT) as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for the financial year 2021-22 and hence the same is not provided.

During the year, the Company amended the Policy on Dealing with RPT in view of the amendments issued by SEBI and to simplify the process of transaction approval sought from the Audit Committee wherever required. The Policy on Materiality of RPT and on dealing with RPT as approved by the Board is available on the Company's website and can be accessed at http://www.spencersretail.com/investor.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the financial year under review, the Company has complied with the provisions of Section 186 of the Act, with respect to loans given, investments made and guarantee/comfort provided etc. and details thereof are given in the notes to the financial statements.

## COMMITTEES OF THE BOARD

The various Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authorities.

The following statutory Committees constituted by the Board according to their respective roles and defined scope:

1) Audit Committee,
2) Nomination and Remuneration Committee,
3) Stakeholders' Relationship Committee,
4) Corporate Social Responsibility Committee and
5) Risk Management Committee

Details of the composition, terms of reference and number of meetings held for respective committees are given in the Report on Corporate Governance.

The Company has adopted a Code of Conduct and Ethics for its Directors and senior management personnel and the same can be accessed using the following https://spencersretail.com/investor.

All Directors and senior management personnel have affirmed the compliance with the Code of Conduct and Ethics for Directors and Senior Management.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sections 134(3)(c) and 134(5) of the Act, your Directors, to the best of their knowledge and belief, confirm that:

a) in the preparation of the accounts for the financial year ended March 31, 2022, the applicable Indian accounting standards have been followed along with proper explanation relating to material departures, if any;

b) 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 loss of the Company for the period;

c) 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 and during the year under review, neither the statutory auditors nor the secretarial auditors reported to the Audit Committee of the Board, any instances of fraud committed against the Company by its officers or employees.

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 are adequate and operating effectively and;

f) proper systems to ensure compliance with the provisions of all applicable laws are in place and are adequate and operating effectively.

## BOARD EVALUATION

In order to ensure that the Board and Board Committees are functioning effectively and to comply with the statutory requirements, the annual performance evaluation of the Board, Board Committees and Individual directors were conducted during the year. The evaluation was carried out based on the criterion and framework approved by the NRC.

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.

## CRITERIA ON BOARD DIVERSITY AND DIRECTOR ATTRIBUTES AND REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

In terms of the provisions of Section 178(3) of the Act and Regulation 19 read with Part D of Schedule II to the SEBI Listing Regulations, NRC is authorised/empowered for determining qualification, positive attributes and independence of a Director. The NRC is also empowered for recommending to the Board, a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The Company has devised inter-alia the Remuneration Policy and the same can be accessed on the Company's website at http://www.spencersretail.com/investor.

## RISK MANAGEMENT

Your Board has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is empowered to oversee, monitor and review the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

## 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. No amount required to be spent by the Company on CSR during the year as the Company had incurred losses in the past.

The aforesaid CSR Policy has also been uploaded on the Company's website and may be accessed at http://www.spencersretail.com/investor.

## VIGIL MECHANISM / WHISTLEBLOWER POLICY

Pursuant to the guidelines laid down under Section 177 of the Act, and the Rules made thereunder read with the SEBI Listing Regulations, the Company has a Whistleblower Policy (Vigil Mechanism) in place for reporting any actual or potential concerns pertaining to any instances of irregularity, unethical practice and/or misconduct. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairman of the Audit Committee of the Company through Company Secretary, for redressal of any irregularity, unethical practice and/or misconduct. No person has been denied access to the Chairman of the Audit Committee and there was no such reporting during the financial year 2021-22.

The policy has been disclosed in the Company's website at http://www.spencersretail.com/investor.

## ANTI-SEXUAL HARASSMENT POLICY

The Company is committed to provide a safe and conducive work environment to all its employees and associates. The Company has a Policy on Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Adequate workshops and awareness programmes against sexual harassment are conducted across the organisation. The Company has set up an Internal Complaints Committee for the aforesaid purpose and during the year, there was no complaint received by the Company.

## SUBSIDIARIES

As on March 31, 2022, the Company had two wholly-owned subsidiaries, Natures Basket Limited (NBL) and Omnipresent Retail India Private Limited (ORIPL) and out of these two subsidiaries, Natures Basket Limited is the material subsidiary of the Company.

In terms of the provisions of Regulation 24(1) of the SEBI Listing Regulations, appointment of the Independent Director of the Company on the Board of material subsidiaries is not applicable to NBL.

The Company has formulated a Policy for determining Material Subsidiaries. The Policy is available on the Company's website and can be accessed at http://www.spencersretail.com/investor.

The Company has prepared consolidated financial statements for the Company and its subsidiaries in the form and manner which is in compliance with the applicable Indian Accounting Standards and the SEBI Listing Regulations and the same has been audited by M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company.

The consolidated financial statements for the financial year 2021-22 forms a part of the Annual Report and shall be laid before the Members of the Company at the ensuing AGM while laying its standalone financial statements. Further, the Auditors Reports of subsidiaries do not contain any qualifications, remarks or disclaimer. 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 subsidiaries in Form AOC-1 is attached to the consolidated 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 at http://www.spencersretail.com/investor. Shareholders desirous of obtaining the Audited Accounts of the Company's subsidiaries may obtain the same upon request.

## COST RECORDS

The provision of Section 148 of the Act pertaining to cost audit on maintenance thereof is not applicable to the Company.

## EMPLOYEE STOCK OPTION

Your Company has formulated Spencer's Retail Limited Employee Stock Option Plan 2019 ('ESOP Scheme') for benefit of its employees as per applicable regulations of Securities and Exchange Board of India as amended from time to time and the said schemes are in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014, as applicable.

The purpose of above ESOP Scheme is to provide the employees with an additional incentive in the form of options to receive the equity shares of the Company at a future date.

The Company aims to reward employees of the Company for their continuous hard work, dedication and support through ESOP. The main objective of the ESOP Scheme is to recognise employees who are performing well, a certain minimum opportunity to gain from your Company's performance thereby acting as a retention tool and to attract best talent available in the market.

In the previous year, 1,20,000 options have been granted under the Employee Stock Option (ESOP), 2019 Scheme and is being implemented through a trust viz. Spencer's Employee Benefit Trust ("Trust") in accordance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI (SBEB) Regulations") and involves the secondary market acquisition of the Company's equity shares by the Trust through the Stock Exchanges.

Details with respect to employee stock options under the ESOP Scheme as at March 31, 2022 are provided in the table below:

| Sl. No. | Particulars | Number of Equity Shares / Options |
|---|---|---|
| 1 | Total number of options outstanding at the beginning of the year | 1,20,000 |
| 2. | Total number of options granted under ESOP Scheme during the Year | NIl |
| 3. | Options vested during the year | 30,000 |
| 4. | Options exercised during the year | NIL |
| 5. | Options lapsed or forfeited during the year | NIL |
| 6. | Total number of options outstanding at the end of the year | 90,000 |

A certificate from M/s. S.R.Batliboi & Co. LLP, Chartered Accountants, Statutory Auditors, with respect to the implementation of the Company's Employee Stock Option Scheme(s), would be kept at the ensuing AGM for inspection by the Members, if any.

## AWARDS AND RECOGNITIONS

The Company has been a proud recipient of numerous awards and recognitions during the year 2021-22. The significant ones among them are listed hereunder:

- Certified as "Great place to Work" 3rd Year in a Row
- HR Initiative Category of the Year 2021-22
- IMAGES Most Admired Launch of the Year – Nature's Basket, Kolkata by IMAGES Awards for Excellence in Food and Grocery Retail
- IMAGES Most Admired Marketing Campaign of the Year – Black Friday Sales Campaign Spencer's by IMAGES Awards for Excellence in Food and Grocery Retail
- IMAGES Most Admired Large Format Retailer of the Year –Spencer's by IMAGES Awards for Excellence in Food and Grocery Retail
- Winner for Apprenticeship Leader by Nexus Malls Retail Awards.
- Achieving TRRAIN Retail Awards 2021, Powered by RASCI on C.H.A.I.R Retailer (Contracted Highest Apprentices In Retail)

## MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments, affecting the financial position of the Company that have occurred between the close of the financial year ended March 31, 2022 and the date of this Board's Report. This year was a year of restructuring for retailers. The annual online shopping has been increased significantly. Our "Out of Store" initiatives including E-Commerce, Phone Delivery, WhatsApp ordering brought many shoppers online and thus overall order witnessed a spike. There was a change in the consumer buying behavior from offline to online owing to safety offerings and better convenience. Going forward in 2022-23, the industry is expected to stabilise and witness many businesses adopting an omni-channel approach. This could be one of the important factors to empower industry growth.

However, future performance will depend on when the pandemic fades and normalcy returns, which remains uncertain. At the same time, the risks and impact on the Company's different businesses will vary based on the industry, their target markets and the nature of operations. These risks and the approach of each of these businesses to mitigate them, have been covered in their respective sections in the Management Discussion and Analysis Report which forms part of this Report.

## DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY ANY REGULATORS, COURTS AND TRIBUNALS

No significant and material order has been passed by any Regulator(s), Court(s) and Tribunal(s) impacting the going concern status and the Company's operations in future.

## CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)

There are no proceedings, initiated by any Financial Creditor or Operational Creditor or by the Company, under the Insolvency and Bankruptcy Code, 2016 as amended, before National Company Law Tribunal or other courts during the year 2021-2022.

## 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 FINANCIAL CONTROL (IFC) AND THEIR ADEQUACY

The Company maintains adequate internal control systems, policies and procedures for ensuring orderly and efficient conduct of the business, including adherence to the Company's policies, safeguard of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures in all areas of its operations. The services of internal and external auditors are sought from time to time. The Company believes that it has sound internal control systems commensurate with the nature and size of its business. 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. The 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 Act, 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 Act 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 Act 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 through email at spencers.secretarial@rpsg.in. The same will be replied by the Company suitably.

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, are annexed hereto and forms part of this Report **(Annexure-H)**.

## INDUSTRIAL RELATIONS

Industrial relations in the Company, during the year, continued to be cordial. A detailed section on the Company's Human Resource initiatives is forming part of the Management Discussion & Analysis forming a part of this Report.

## COVID-19 PANDEMIC

India and other global markets experienced significant disruption in operations resulting from uncertainty caused by the worldwide outbreak of Coronavirus pandemic. The Company has made an assessment of likely adverse impact on economic environment in general, and financial risks on account of the said pandemic. The Company is in the business of organised retail which majorly deals with essential commodities. Accordingly, it has assessed that there is no impact on the business of the Company since in nation-wide partial lockdown in different periods during the year, the business in essential commodities was not restricted and the requirement of delivery of essential commodities at doorstep had also increased significantly. The Company has tied up with various service providers to make available the essential products to reach its customer's places, aligned with its suppliers and transporters to have a continuous supply of products and keep them available at the Company's stores and warehouses.

The Company is taking all necessary steps and precautionary measures to ensure smooth functioning of its operations / business and to ensure the safety and well-being of all its employees. The Company is closely monitoring developments, its operations, liquidity and capital resources and is actively working to minimise the impact of this unprecedented situation. The Company is also monitoring the operations of its subsidiaries, basis which, no impairment is required to be recognised in respect of such investments.

## GREEN INITIATIVES

Pursuant to the relevant circulars issued by Ministry of Corporate Affairs (MCA), Government of India and Securities & Exchange Board of India (SEBI) and in view of the prevailing situation of the pandemic, owing to the difficulties involved in dispatching of the physical copies of the Notice of the Fifth AGM and the Annual Report of the Company for the year 2021-22, the said documents are being sent only by email to the shareholders.

The Company supports the 'Green Initiative' undertaken by the MCA, enabling electronic delivery of documents including Annual Report etc. to shareholders at their e-mail address already registered with the Depository Participants ("DPs") and Registrar and Transfer Agent ("RTA"). Additionally, the Company conducts various meetings by means of electronic mode in order to ensure the reduction of carbon footprint.

In view of the above, shareholders who have not yet registered their email addresses are requested to register the same with their DPs/ the Company's RTA for receiving all communications, including Annual Report, Notices, Circulars etc. from the Company electronically.

## ACKNOWLEDGEMENTS

Your Directors wishes 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

**Dr. Sanjiv Goenka**
Chairman
(DIN 00074796)

Kolkata, May 12, 2022

# Management Discussion and Analysis

(Annexure 'A' to Board's Report)

Spencer's Retail Limited ('Spencer's', 'SRL' or 'the Company'), a part of the RP-Sanjiv Goenka Group ('RPSG Group' or 'the Group'), is a multi-format Business Retail industry in India. Along with its subsidiaries, the Company operates across various categories such as Staples, Fast-Moving Consumer Goods (FMCG), including food items like beverages, Fruits & Vegetables, Fish & Meat, and Non-Food items such as Fashion, General Merchandise, Personal Care, home essentials, Electrical and Electronics. The Company has also established a differentiated recall through a speciality section comprising Spencer's gourmet, patisserie, wine and liquor. Our wholly owned subsidiaries include Natures Basket Limited (Natures Basket or NBL), one-stop destination for multi-cuisine cooking needs and a preferred destination for gourmet & gifting, and Omnipresent Retail India Private Limited (ORIPL) which serves our customers via deliveries through online and phone at chosen geographies.

## GLOBAL ECONOMY

The year 2021 was uncertain and had mixed development for the world economy. After a significant drop in 2020, output in several countries rebounded to the pre-pandemic levels in 2021. With this, the global economy witnessed a GDP growth of 6.1% in 2021, driven by commercial development of multiple vaccines, policy support by governments and central banks, alongside higher inoculation to the COVID-19 virus & strains.

International commerce picked up pace from 2021 onwards while many developing countries benefitted from the rise in commodity prices as a result of increased economic activities and consumer demand. The subsequent domestic financial crisis and foreign debt restructurings were less frequent than expected. This resulted in a GDP growth of 6.8% for the emerging economies in 2021, while the advanced economies grew by 5.2%.

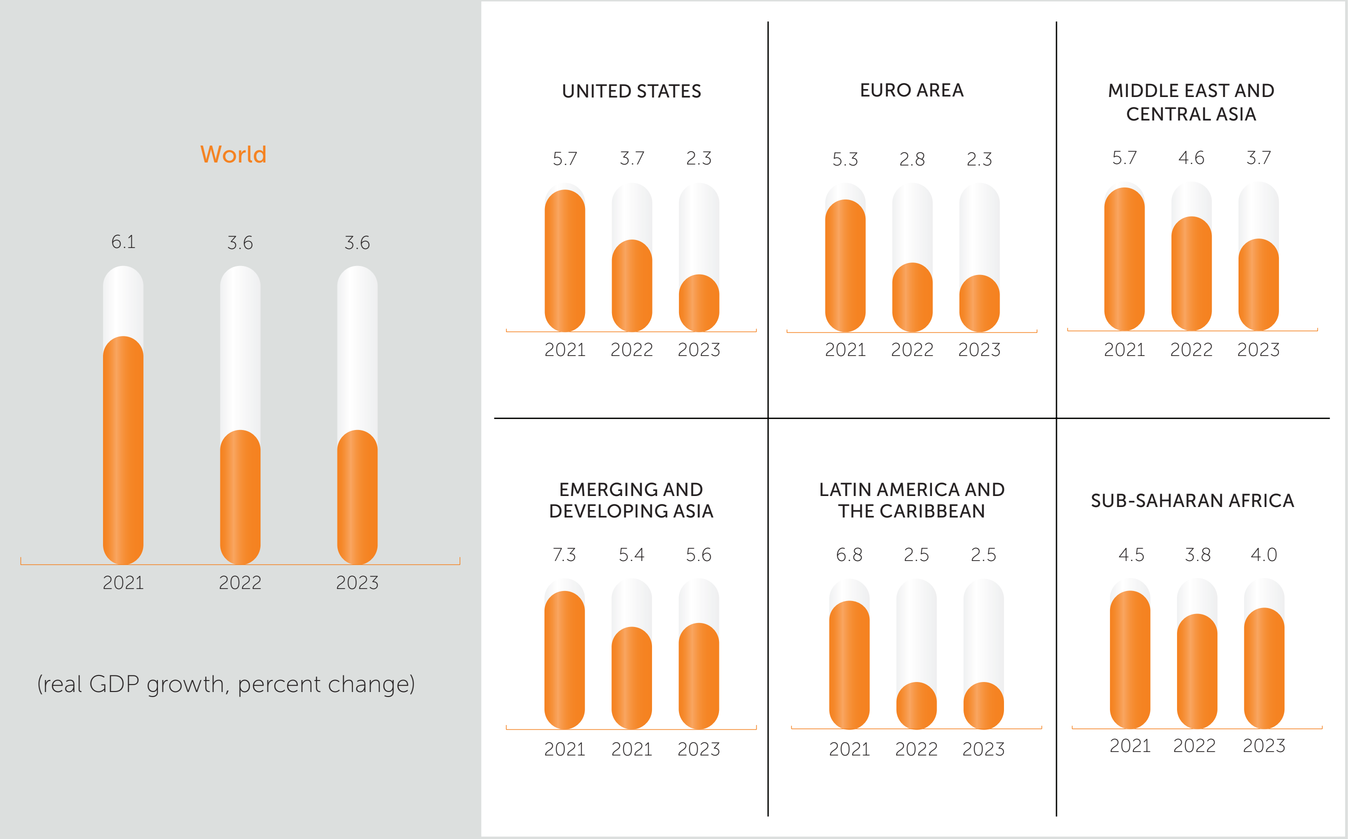
### Outlook

The global economy adapted to the pandemic-led transformations with economic activities eventually normalising across sectors and countries. Prolonged virus outbreak caused multiple lockdowns throughout 2020 and the first half of 2021 resulting in a halt in the economic activities. The reduction in infection rates and large-scale vaccination coupled with the Governments' support and phased open-up across the world propelled the economy to move towards normalcy. All major countries progressively begun to open their borders, allowing for normal trade and travel, promoting growth in both developed and emerging economies. However, the rise in the ongoing geopolitical tensions and further inflationary pressures led by rising crude oil prices have dampened the economic progress. The global GDP is expected to witness a growth of 3.6% in 2022, with Emerging and Developing Asian Markets growing by 5.4%, the US growing by 3.7% and India growing by 7.2% in 2022-23.

WORLD ECONOMIC OUTLOOK APRIL 2022

**GROWTH PROJECTIONS BY REGION**

(PRECENT CHANGE)



*(Source: World Economic Outlook April 2022, Reserve Bank of India (RBI) forecasts)*

## INDIAN ECONOMY

The Financial Year 2021-22 was the year of recovery for the Indian economy following the COVID-19 outbreak in 2020. With effects of the pandemic waning out, the eventual resumption of economic activities led to an increase in demand and consumption. However, the economic progress was dampened due to the deadlier second wave of COVID-19 which struck the country in the very first quarter, followed by stark shoot in power and fuel cost, coal shortages, supply chain disruption and longer than expected inflationary pressure. In addition to this, the Russia-Ukraine conflict caused major concern leading to surging crude oil prices, in turn affecting other input costs and higher inflationary pressures. As per the Ministry of Statistics and Programme Implementation (MOSPI), Government of India, the GDP grew by 8.7% in 2021-22 compared to a contraction of 6.6% in 2020-21.

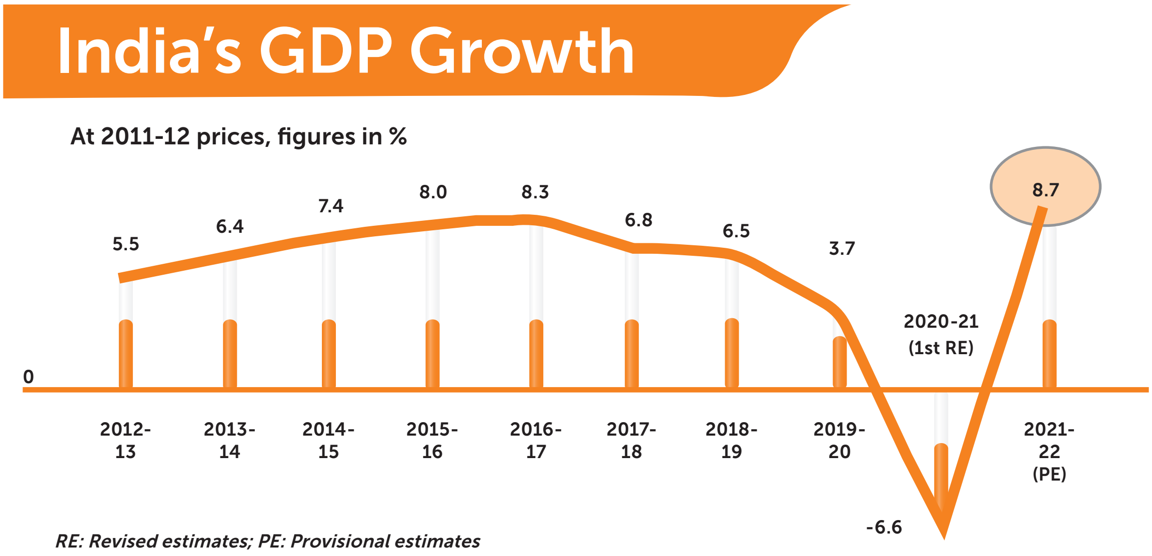
During the previous fiscal year, Government initiatives combined with the Reserve Bank of India's (RBI's) policies of lowering interest rates and implementing measures for fiscal stimulus aided in facilitating economic stability amid life-threatening challenges. Over 1.8 Billion vaccine doses were successfully administered against the COVID-19 virus, lowering COVID-19 fatalities, infection rates, mobilisation restrictions and resultant supply chain disruptions. Based on these positive transformations, the Indian economy started to reflect a positive growth outlook. *(Source: Ministry of Health and Family Welfare, GOI)*

As per Economic Survey of India 2021-22, India witnessed a GDP growth of 20.1% in first quarter of 2021-22, owing to higher consumer spending and a low base impact from previous fiscal year. Towards the end of June 2021, the economy witnessed improvement in activities across sectors including auto sales, retail, agricultural production, construction and exports. With business activities rebounding to pre-pandemic levels, the Indian economy experienced a GDP growth of 8.4% in the second quarter of 2021-22. Government consumption was the largest contributor to this recovery, followed by private consumption playing a major role in aiding the same. The Index of Industrial Production (IIP) elements, and the eight-core index rebounded in V-shaped pattern. In April-November 2021, the IIP increased by 17.4% YoY, compared to fall of 15.3% in April-November 2020. Retail inflation, as measured by Consumer Price Index-Combined (CPI-C), declined to 5.2% in 2021-22 (April-December) from 6.6% in 2020-21. This was primarily attributable to decrease in food inflation. Food inflation, as measured by Consumer Food Price Index (CFPI), was at an all-time low of 2.9% in 2021-22 (April to December), compared to 9.1% the previous year. Wholesale Price Inflation (WPI), however, was running in double-digits. India's manufacturing activity improved with Purchasing Managers Index (PMI) for manufacturing above 50 in March, 2022.

### Outlook

The IMF projects that India is likely to retain its entitlement as the fastest-growing world's major economy for 2021-24. The Indian economy is expected to witness a GDP growth of 7.2% in 2022-23. With increased Government spending as announced in Union Budget 2022 and rise in private consumption and investment, economic activity will further boost demand. However, lingering impacts of COVID-19 outbreak, rising inflation, and geopolitical tensions continue to act as potential threats.

*GDP Growth (At constant prices, in %)*



*(Source: Economic Survey 2021-22, Reserve Bank of India (RBI) forecasts)*

## INDIAN RETAIL INDUSTRY

The Indian Retail industry is ranked as the world's fifth-largest retail destination. According to latest IBEF study, the sector contributes 10% of India's GDP and employ over 8% of population. It functions around four retail formats namely exclusive branded retail shops, multi-branded retail shops, convergence retail outlets and e-retailers. The competitive landscape in the Indian Retail sector is structured with departmental stores, hypermarkets, supermarkets, cash and carry stores and specialty stores.

The fiscal year 2021, was a year of contrasts for India's Retail market. According to Bain and Company Report, the Indian Retail industry was worth US$ 810 Billion in 2020-21 – exhibiting a flattish trend compared to 2019-20 due to trade and travel restrictions imposed by the COVID-19-induced lockdowns. With 140 Million online shoppers, India is the third-largest market. However, the market is vastly under-served and India's large internet user base of 625 to 675 Million people offers further growth prospects. During 2021-22, the overall Retail market shrank by 5%. However, the Indian E-retail market saw a 25% growth despite a two-month national lockdown and multiple prolonged disruptions in regional pockets over the year.

*(Source: Bain and Company Research)*

### Outlook

The Indian Retail industry is predicted to witness a CAGR of 8% to 9% from 2020-21 to 2024-25, reaching US$ 1,250 Billion by 2026 primarily owing to hybrid distribution model and 'OMNI-Channel' approach. Customer insights play a major role in driving the new Retail environment. While technology significantly transformed supply chain, production, and retail sales, developing customer insight is vital for retail organisations – whether for service customisation or presence across multiple channels.

*(Source: Bain and Company Research)*

### Spencer's Take

Spencer's established itself as a multi-format modern retailer in India's Organised Retail market. The Company offers a diverse range of food & non-food items, and a unified shopping experience across Spencer's and Natures Basket. With both large format stores in Spencer's and small format stores in both Spencer's & Natures Basket strives to cater customer demands effectively.

Our Large format stores account for ~73% of total sales & small format stores (including Natures Basket) account for ~27% of total sales. Going ahead, the Company's 'OMNI-Channel' business model is expected to play a major role for driving growth in the Indian Retail industry. The COVID-19-led pandemic accelerated the shift to online sales with people choosing health, safety and convenience over pricing. Retailers were agile in shifting to digital platforms to sell their products and develop capabilities to handle increasing demand for doorstep deliveries.

At Spencer's, a capable digital contributes significantly to our online sales. The Company's mobile app and website enable a seamless customer shopping experience. We continue to strengthen our 'OMNI-Channel' distribution along with our brick-and-mortar stores. We pioneered phone and WhatsApp chatbot ordering, and associated with Uber, Swiggy, Dunzo, RWAs, and others in 2020-21 to enhance our 'Out-Of-Store' channel. This enabled Spencer's to stay resilient amid challenges, facilitating a revenue growth of 80.4% in 2021-22.

## INDIAN ORGANISED RETAIL INDUSTRY

The Indian Retail Sector is largely dominated by traditional retail formats and kirana outlets. However, evolving consumer preferences owing to the pandemic, the domestic Organised Retail sector witnessed a boom. It encompasses selling goods/merchandise under a single roof in a fixed location, such as departmental store, hypermarket, supermarket and convenience stores. Food & Grocery is a major component of the Indian Organised Retail, followed by other segments including Apparel and Footwear, FMCG and IT, Jewellery and Accessories, Health and Entertainment, among others.

According to CBRE South Asia survey, India's Organised Retail stock reached 64.3 Million sq ft in the first half of 2021 and is predicted to reach 82 Million sq ft by 2023. With the pandemic receding, accompanied by economic revival owing to over 1.8 Billion vaccinations done in India, retailers experienced higher footfalls across high streets and malls. The evolved consumer behaviour towards 'conscious buying' resulted in a major shift in across both physical retail and e-commerce. During the year, top performers like F&B, E-commerce, Pharmaceuticals, and the traditional grocery retailers witnessed steady growth despite economic disruptions.

With the perception of Indian Retail sector transforming, retailers continue altering their store models to meet the diverse customer demands across markets and geographies. The pandemic prompted retailers to experiment with emerging trends such as expansive and enhanced digitalisation, 'OMNI-Channel' commerce, among others with high-street and shopping centre businesses reviving, merchants are rethinking and realigning their business strategies to suit the demands of customers who are continually exposed to growing online shopping experience.

Despite these developments, the Organised Retail Market share accounted for a mere 18% in 2021. As compared to penetration levels in major economies – for instance, in the USA it is 85% while its 55% in Malaysia – the Indian Organised Retail market is highly under-penetrated. Therefore, the market certainly possesses high untapped potential for Indian companies to expand further into the industry. *(Source: Business Standard)*

### Outlook

The Indian Organised Retail market reflects an optimistic outlook overall, owing to ramped-up vaccination campaign, policy reforms, and rising urbanisation. According to a study by IBEF, the Organised Retail Sector is anticipated to expand at a CAGR of 20% to 25% on a YoY basis. Consumption boom is fostering substantial development in this segment, leading to increased disposable income, focus on hygiene and changing lifestyles. Easy borrowing and usage of 'Buy Now & Pay Later' models. Thereby, contributing significantly to India's robust and rising consumer culture. Ease and safe financial transactions are facilitating consumer acceptance and higher utilisation e-retail platforms and services. Due to renewed demand and retail activities bouncing back to pre-pandemic levels, a number of international brands both in Retail & F&B sectors are showing interest in country's retail landscape. Going forward, this would induce further growth in the overall sectors.

### Spencer's Take

Spencer's caters to ~72% of the overall Organised Retail market in India, comprising Food and Grocery, Apparels, General Merchandise, Consumer Durables, Mobile and IT, Furniture and Household items and Footwear. With market penetration of only ~ 5%, the Grocery industry offers significant growth potential for modern trade. Spencer's is poised to benefit from these potentials given its capabilities, market understanding and diversified offerings. (Source: CRISIL Research)

Spencer's is well-versed in current industry trends and our experience leverages us the ability to continually analyse our stores and drive efficiency, extend consumer base, launch new stores. Further, we have expanded our reach by acquiring Natures Basket Limited which has a prominent presence in western parts of Indian i.e. Mumbai & Pune. During the year, the Company opened four new SRL and four new NBL stores, totaling ~70,000 sq ft. As a part of our ongoing action plan, the Company is focused on a hybrid model of both brick & mortar store and 'OMNI-Channel' distribution. We take utmost care towards maintaining excellent hygiene and cleanliness across our stores – right from the lead up sidewalks, in-store cleanliness, to employee hygiene. Post the COVID-19 outbreak, the Company has been proactively engaged in taking care and ensuring timely & regular sanitisation of stores.

## OPPORTUNITIES FOR THE INDIAN ORGANISED RETAIL INDUSTRY

### Changing Consumer Preferences

By 2021, the world had already begun to adapt to the pandemic-led new normal. Meanwhile, for consumers, the primary changed from pricing, to shopping in a hygienic and sanitised space. Modern Retail provides a hygienic shopping experience, high-quality packaged products, minimum manual intervention in shopping journey of customer, and competitive pricing. Moreover, most retail chains offered some kind of loyalty points, membership discounts or other lucrative offers to attract and retain customers. All of these factors led to a more expanded customer base backed by their increased preference for the Organised Retail in India.

**Spencer's Take**

Spencer's adapted and evolved in providing a shopping experience aligned to the dynamic consumer preferences. We offer a one-stop shop for a wide range of assortments to meet diverse customer requirements, while also offering well-differentiated, unique and diversified private labels under our brand. Spencer's provides a superior in-store experience, backed by ambient, well-lit stores, standardised, scientific store design. This would ensure higher cross-selling, benchmarking methods, pricing competitiveness, exceptional tailored offers, and short queue waiting times.

### Under-Penetrated Market

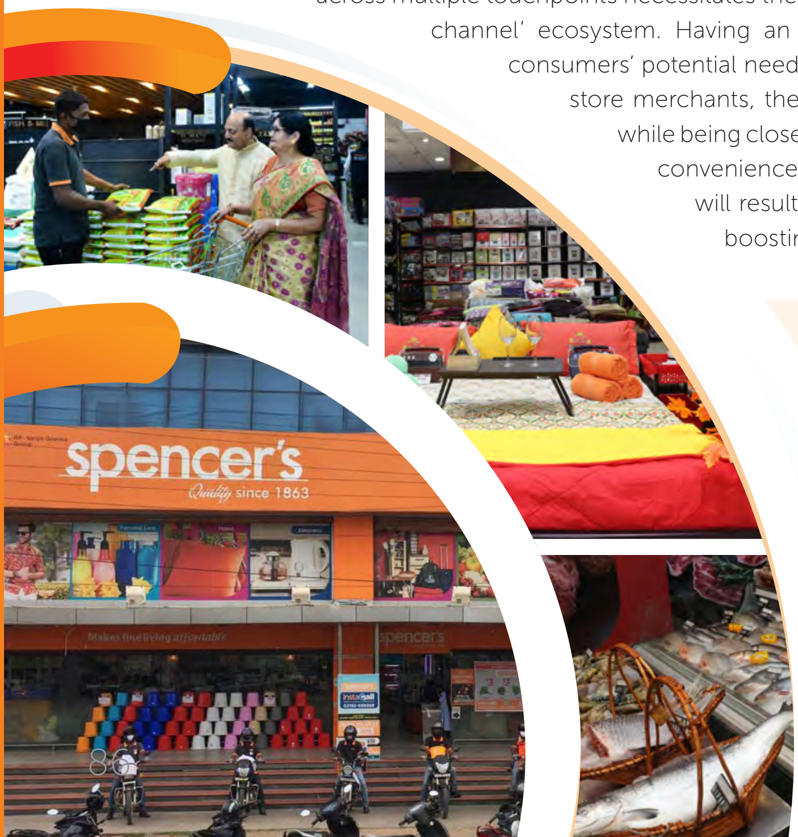
The Indian Organised Retail segment is an under-penetrated space and accounts for a lower share percentage compared to developed and emerging countries. This indicates the tremendous nature of the underlying untapped potential in the segment. Over the last decade, evolving consumption patterns led to increase demand from Tier - 2 / 3 cities and many others. As a result, these areas appear to be potential for setting up of stores, providing expansion and penetration opportunities to Spencer's and other market competitors.

**Spencer's Take**

Spencer's is leveraging its wide presence in the Indian markets and open store in under-served locations in line with its profitability and sustainable growth aspects. Thereby, the Company is poised to tap potential opportunities as a result of rise in demand in the industry.

### 'OMNI-Channel' Model

Breaking down boundaries between communication channels and providing a single integrated brand experience across multiple touchpoints necessitates the transition from a multi-channel environment to an 'OMNI-channel' ecosystem. Having an 'OMNI-channel' business model is imperative to meet consumers' potential needs. With the skills and resources accessible to convenience store merchants, they will be able to efficiently manage and run this channel while being closer to and catering to a diverse range of customers. Increased convenience, store penetration, along with the 'OMNI-channel' strategy, will result in faster product delivery and shorter turn-around times, boosting efficiency in the overall business model.



**Spencer's Take**

Spencer's strives to become a fully-integrated 'OMNI-Channel' retailer and for this purpose, we chose a hyper local strategy while also contacting clients directly and with contactless delivery via our 'Out-Of-Store' channels to capitalise on the e-commerce. Introduction of new brands, goods, markets, and servicing in other locations, are other factors further providing expansion prospects to the Company, at present.

### Demographical Advantage

The changing demographics and subsequent trends are influencing growth prospects in the Organised Retail industry. In India, the changes in the number of middle-class customers implies a steady increase while the nuclear households are predicted to reach around 74% by 2025. Nuclear households spend an average of 30% more per capita than combined families. The ongoing rise in consumer spending is being led by higher demand and disposable income. At present, a large young working population with a median age of 24 years, nuclear families in metropolitan regions, an expanding working-women population, and new possibilities in Service sector are driving the increased demand and supply in the industry.

**Spencer's Take**

With the acquisition of Natures Basket Limited, we have expanded our presence in the western parts of India i.e. in Maharashtra including cities like Mumbai and Pune.

Spencer's industry presence and distinction is led by the Company's diverse choice of products at reasonable pricing. Thereon, carving out a niche for the Company with its tagline 'Makes Fine Living Affordable'. The tagline is henceforth, a representation of the Company prioritising consumer satisfaction through high quality products and services that improve fine living at reasonable costs in a welcoming retail atmosphere. The customer has benefited from right pricing and different offers from Spencer's and Natures Basket.

### Growing Consumption

Growth in household income is likely to transform India's current position at the bottom-of-the-pyramid in the economy to a truly middle-class-led one. This would be driven by an estimated growth in consumer spending, from US$ 1.5 Trillion today to about US$ 6 Trillion by 2030.

(Source: World Economic Forum repot on Future of Consumption in Fast-Growth Consumer Markets: INDIA)

**Spencer's Take**

Changing consumer habits impact organised stores like Spencer's and Natures Basket, giving way to several advantageous scenarios to expanded presence across channels and enhance digitalisation.

We expect the footfalls to increase from current levels that will benefit us in increasing our sales and will also help us to deliver considerable growth.

Hence, Spencer's strives to enhance the Company's offerings through sharpening its commutation to assist brand retention and recognition.

## Threats

### Economic Conditions

Economic slowdowns have a direct influence on consumption, with Retail being the value chain's end-service provider of consumption facing the greatest number of challenges. Macroeconomic concerns impacting the overall retail performance include slower GDP growth, diminished market confidence, unforeseen policy adjustments, increased oil costs, and repercussions of the pandemic.

**Spencer's Take**

At Spencer's, a strong market foundation, digital capabilities and vast network renders us the capability to sail through uncertainties. Furthermore, with essential goods forming a part of our product portfolio, we are safeguarded from major economic and supply chain disruptions.

### Aggressive Expansion

Inadequate research on store expansion and poor customer insight can lead to retailers opening outlets at unfeasible locations. This would result in low accessibility, visibility, and traffic, affecting the business's overall operational performance.

**Spencer's Take**

Spencer's seeks to establish a presence in areas where retailers may generate more money and attract more customers. With regards to the existing clusters, the Company is growing its footprint while availing better use of back-end skills by lowering operational and marketing costs. During the year, the Company (Spencer's & Natures Basket) opened 8 stores and also has rationalised some unviable loss making stores. We ensure setting up of the Company stores in feasible areas basis extensive research on all fronts and thereon, conduct store evaluation on concurrent basis.

Spencer's Retail plans to add minimum 1 Lakh to 1.5 Lakh sq.ft. and Natures Basket 10k sq.ft. to 20k sq.ft. per annum.

## Price War

With India being an attractive space for Retail market, there is continuous influx of new entrants across the sector, leading to price wars and higher competition. Price wars might be a good way to beat competition and increase sales volume in near term. However, it may have a negative impact on profitability, can cause price erosion and hamper consumer loyalty in long-run.

### Spencer's Take

Spencer's extensive distribution network allows customers to acquire products directly from producers. As a result of elimination of several intermediaries, the Company is able to maintain competitive pricing with wider assortments.

At Spencer's, we aim to provide customers an experiential shopping environment with varied assortments at affordable price. Spencer's also has an extensive distribution network allows customers to acquire products directly from producers. As a result of elimination of several intermediaries, the Company is able to maintain competitive pricing with wider assortments

## INDIAN E-COMMERCE SCENARIO

During the initial two years of the pandemic, companies in India realised the promising aspects of E-commerce and thereon, online channels grew in terms of convenience, automation, and usefulness. Consumers started to prefer virtual purchasing, within the comfort of their homes. India has 140 Million internet shoppers and ranks third, following China and the United States. However, the market is vastly underserved. It offers an immediate opportunity to reach and cater India's big internet user base of 625 to 675 Million individuals. The pandemic marked a turning point for India's E-commerce business, resulting in a 12-month increase in e-commerce penetration, which reached 4.6% by the end of 2020-21. This acceleration was much greater across the top eight metro cities, where online shopping is more common one out of every three persons in top eight metro cities shopped online at least once last year, on an average.

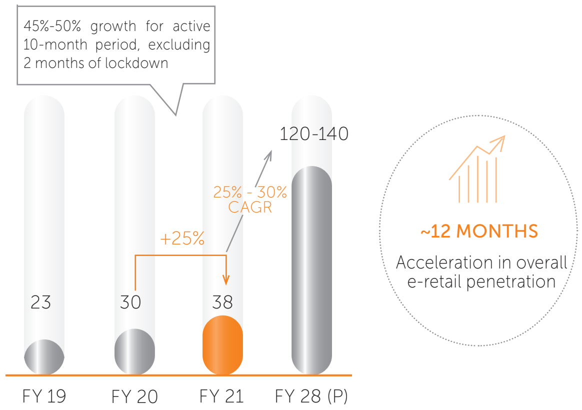
The COVID-19-induced E-retail inflection was a global phenomenon driven by increased customer demand for safety and convenience, particularly during extended stay-at-home time phases. In India, e-retailers provided a lifeline for both customers and sellers, allowing millions of people to get vital goods and hygiene items during lockdown while also paving way towards further opportunities for thousands of merchants. The domestic spike in penetration is expected to continue in alignment to eventual market stabilisation similar to the global pattern observed before.

Millions of Indian customers continue to profit from E-commerce, providing ubiquitous access and increased convenience. This has democratised shopping in India by allowing access to over 95% of country's pin codes. Thereon, giving small sellers and micro-entrepreneurs more leverage, torn down go-to-market obstacles for incumbent and insurgent brands, and created jobs for millions. Following the difficulties created by massive disruption (for consumers and small companies) and job loss, e-commerce has proven to be a benefit during the pandemic.

The E-retail market is predicted to rise to US$ 120 Billion to US$ 140 Billion by 2025-26, growing at a rate of around 25% to 30% YoY basis over the following five years. Smaller towns will drive expansion, accounting for four out of every five new shoppers. Women and elderly consumers, in addition to small towns, have been more prominent in online shopper base in previous year, and this trend is projected to continue.

*(Source: Bain and Company Research)*

**India 3-retail market ($ Billion)**



Penetration %

| | | | | |
|---|---|---|---|---|
| Overall | ~2.8% | ~3.5% | ~4.6% | 10%-11% |
| Ex-Grocery | ~9.0% | 11%-12% | 19%-20% | 26%-28% |

Note: CAGR: compound annual growth rate, fiscal year (FY) from April to March, e-retail overall penetration denotes e-retail market as % of total retail market, ex-grocery denotes total retail market excluding grocery category, ex-grocery penetration denotes ex-grocery e-retail market as % of total ex-grocery retail market, P: projected
Sources: CRISIL, Forreste, Bain Analysis

According to Redseer, a management consulting firm, India's Consumables industry would increase at a 6% CAGR over next five years, reaching US$ 1 Trillion by 2025, up from US$ 725 Billion in 2020. Quick commerce (Q-commerce) penetration in the online Consumables industry is expected to expand from 7% to around 12% to 13% by 2025, according to the report. While total Online Consumables market is currently valued at US$ 3.8 Billion, it is expected to double in size by 2025, to US$ 30 Billion, with 50% coming from metro and tier-1 cities. Moreover, quick commerce, valued at US$ 300 Million in 2021, is expected to grow 10 to 15 times in the next five years to US$ 5 Billion by 2025, with 20 Million addressable households.

*(Source: Phillip Capital Research)*

**Spencer's Take**

| 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|---|---|---|
| ₹ 28 crore | ₹ 40 crore | ₹ 184 crore | ₹ 329 crore |

Spencer's Gross Merchandise Value increased by 11.75 times in 2021-22 from 2018-19. We began our journey as an 'OMNI-Channel' player a few years ago, serving clients through our shops, e-commerce websites, and mobile application. The pandemic presented a great opportunity for the Company to use the digital platform and expand the 'OMNI-Channel' presence. During the year, the Company increased its expenditures in mobile applications and established the necessary infrastructure. In addition, the Company began accepting orders via WhatsApp chatbot, in addition to the existing digital channels. Spencer's was able to expand 'Out-Of-Store' reach as a result of this change. The Company is committed to adapting e-commerce platform in order to expand consumer base.

## GROWTH DRIVERS OF E-COMMERCE INDUSTRY IN INDIA

### Advancements in Technology Adoption

The e-commerce channel has seen fast expansion as a result of increased internet penetration and smartphone usage, more awareness, and changing customer behaviour. In January 2022, India had 658 Million internet users. Between 2021 and 2022, India's internet users rose by 34 Million +5.4% and by 2025, estimated to be worth US$ 1 Billion.

*(Source: Data Reportal Research)*

According to Deloitte's analysis, smartphone demand in India is predicted to record a CAGR of 6% over next six years – from 300 Million in 2016 to 400 Million in 2026. Furthermore, the growing use of smartphones and access to internet via broadband, 4G, and introduction of 5G is predicted to increase the number of online consumers. As a result, the e-commerce customer base is likely to grow in near-term.

**Spencer's Take**

Spencer's aims to leverage on the 'OMNI-Channel' network to reach customers directly. Spencer's has invested in a touchscreen-driven point-of-sale system to improve customer experience by enabling them to scan available products more quickly. Furthermore, contactless door-step deliveries, paperless e-invoices, and digital payments through third-party payment processors, are all available to Spencer's customers.

### Shopping Experience

E-commerce 'humanises' the online shopping experience for users. It allows customers to shop at their own ease with their own preference. The digital platforms have options like sorting and filtering, which provide customers a speedy shopping experience while meeting their real-life expectations and requirements.

**Spencer's Take**

Spencer's has always strived to deliver an enhanced shopping experience by offering a diverse product selection and a positive in-store experience. With a variety of items under one SKU, the consumer has a one-stop shop at their disposal. The Company includes a bilingual call centre with professionals that handle client comments and questions from all locations. Customers can contact the Company via a variety of channels, including a toll-free number, email, website, social media platforms, digital YVM, and NPS. As a result, the Company guarantees reaching a larger audience, assists them with their questions and feedback, and provides them with a better purchasing experience every time. This back-end assistance has greatly aided the Company's ability to communicate with customers effectively.

## E-commerce Promotes Savings Culture

People often tend to spend more time and money at physical stores compared to shopping online. Monetary savings among general masses declined in India between 2014 and 2019. However, during the lockdown in 2020, domestic savings surged to a 20-year high levels. This reflects value conscious nature of the Indian consumers. Further, same was demonstrated with huge offtake during festive season sales with people preferring to grab good deals.

The vast majority of e-commerce purchases require a bank account and the most common methods of making online purchases include credit and debit cards, mobile wallets, and UPI. Spencer's offers a variety of digital choices, such as internet banking, debit and credit card payments, and mobile wallet payments. The Company also provides payment choices, including a variety of deals, cashbacks, and discounts. On a regular basis, the Company offers attractive discounts and cashbacks on a wide range of items.

## COMPANY OVERVIEW

Spencer's Retail Limited (the 'Company', 'Spencer's' or 'we,') is an Indian multi-format contemporary retailer owned by the RP-Sanjiv Goenka Group. Headquartered in Kolkata, the Company, is among leading players in the FMCG space, with food and non-food items, including Fashion, Staples, General Merchandise, Personal Care, Home Essentials, Electrical & Electronics and many more. Our speciality sections are : Spencer's Gourmet, Patisserie and Wine and Liquor.

Spencer's is an established player and enjoys a healthy brand recall across its segments. With presence in over 42 Indian cities, Spencer's operates 190 Stores in India including 36 Natures Basket Stores. The Company operates in two retail formats, small-format stores with range up to 5,000 sq ft, catering to the daily and weekly top-up shopping needs of consumers along with large-format stores with store size over 5,000 sq ft.

## OPERATIONAL PERFORMANCE

The Company's consolidated revenue from operations during 2021-22 stood at ₹ 2,376.55 Crore, gross margins stood at 20.7%. In response to COVID-19 and its impact, we quickly adapted and evolved our business operations. The Company is experiencing a rise in demand across segments, including food and non-food products, as a result of the relaxation of COVID-19 limitations and the economic recovery. This has led to improvement in store footfalls during the year.

The Company ensures maintenance of the necessary COVID-19 protocols. The Company's main focus remains to better serve the customers. In light of the pandemic and lockdown restrictions, the Company has taken necessary step to develop digital retail channels. The shutdown of brick and mortar stores caused a significant drop in footfall of our retail stores, which sparked the emergence of online shopping platforms through mobile apps, phone delivery and even ordering through WhatsApp.

These circumstances eventually prompted Spencer's to create a solid digital platform with an 'OMNI-Channel' distribution network. Furthermore, with increased footfall, the Company is now expanding its brick and mortar store. Thereon, enhancing the Company's readiness to respond to dynamic shifts in the Indian Retail Stores segment.

Management Discussion and Analysis (Contd.)

## FINANCIAL REVIEW

| Financial Results | Standalone for the Year Ended March 31 | | Consolidated for the Year Ended March 31 | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Turnover (Including other Income) (₹) in Crores | 2,067.11 | 2,116.13 | 2,376.55 | 2,481.47 |
| Return on Equity (%) | (32.91%) | (37.13%) | (196.36%) | (87.94%) |
| Net Assets Value per Share (₹) | 28.51 | 38.23 | 6.86 | 20.67 |
| Earnings per Share (Basic) (₹) | (9.38) | (14.81) | (13.48) | (18.97) |

## DETAILS OF SIGNIFICANT RATIO CHANGES

### Standalone

| | 2021-22 | 2020-21 | % Change | Reason for Change |
|---|---|---|---|---|
| Interest Coverage Ratio | (0.41) | (6.25) | (93.48%) | Improvement in ratio due to reduction in losses in current year. |
| Operating Profit Margin (%) | (0.43%) | (2.85%) | (85.01%) | |
| Net Profit Margin (%) | (4.23%) | (6.18%) | (31.55%) | |
| EPS (Basic) (₹) | (9.38 ) | (14.81) | (36.65%) | |
| Debt Equity Ratio | (1.14) | (0.50) | (128.00%) | Increase in borrowings during the year. |
| Debtors Turnover (Days) | (5.26) | (8.17) | (35.62%) | Decrease in average trade receivables in current year. |
| Inventory Turnover (Days) | 42.42 | 41.14 | 3.11% | - |
| Current Ratio | 0.51 | 0.63 | (19.05%) | - |
| Return on Net Worth (%) | (32.91%) | (37.13%) | (11.37%) | - |

### Consolidated

| | 2021-22 | 2020-21 | % change | Reason for change |
|---|---|---|---|---|
| Interest Coverage Ratio | (0.87) | (3.83) | (77.22%) | Improvement in ratio due to reduction in losses in current year. |
| Operating Profit Margin (%) | (1.09%) | (3.00%) | (63.67%) | |
| EPS (Basic) (₹) | (13.48) | (18.97) | (28.95%) | |
| Return on Net Worth (%) | (196.36%) | (87.94%) | (123.30%) | Due to losses incurred during the year. |
| Debt Equity Ratio | 5.83 | 1.37 | 325.55% | Increase in borrowings during the year. |
| Debtors Turnover (Days) | 4.48 | 7.23 | (38.04%) | Improvement in ratio due to decrease in average trade receivables in current year. |
| Inventory Turnover (Days) | 41.89 | 38.76 | 8.08% | - |
| Current Ratio | 0.50 | 0.59 | (15.25%) | - |
| Net Profit Margin (%) | (5.28%) | (6.75%) | (21.78%) | - |

## RISK MANAGEMENT

Spencer's has a robust risk management framework alongside appropriate policies and procedures in place to identify, evaluate, mitigate and report risks. The risk management committee, overseen by the Board, identifies and evaluates threats using digital tools and draws mitigation strategy. Besides, the Company conducts external evaluations and audits by audit professionals and external audit firms. Our risk landscape includes Pandemic Risk, Inventory Risk, Supply Chain Risk, Competitive Risk, Compliance Risk, IT Risk and Quality Risk.

| Risks | Description | Mitigation |
|---|---|---|
| **Pandemic Risk** | Potential risk of loss due to additional COVID-19 waves, resulting in reduced store footfalls | The Company's products are among essential categories, which translates to most of our stores being operational even during the lockdown<br>The Company has strengthened its 'OMNI-Channel' network, leading to increased consumer reach through online e-commerce channels<br>The Company strictly adheres to all COVID-19 preventative measures, such as temperature checks at the entry, and social distancing in stores, enabling safer functioning amid the pandemic concerns |
| **Inventory Risk** | Loss due to unavailability of inventory leading to customer dissatisfaction and reduction in customer loyalty | Inventory levels are regularly monitored by store operations and supply chain teams to ensure adequate stock availability<br>The Company's flexible inventory procedure ensures real-time inventory reporting<br>The Company analyses essential data points in order to forecast inventory levels, allowing timely reorder and maintenance of adequate stock levels |
| **Supply Chain Risk** | Potential loss to the Company due to supply-side delays caused by interruptions in logistics and distribution networks | The Company operates distribution centres and works with third-party supply chain management for logistical support<br>The Company endeavours to minimise supply-chain disruption risks by working closely with suppliers, across territories |
| **Competitive Risk** | Risk of loss to the Company arising out of intense competition in retail store chain industry owing to differentiated products and new entrants of varying sizes and store formats | The Company continually strives to maintain brand visibility distinction through private brand campaigns and various other initiatives<br>The Company implements strategies and campaigns to retain and acquire customers, wherein we acquired Natures Basket for product range expansion and widened customer reach<br>The Company has speciality segments, including Spencer's Gourmet, Patisserie, Wine and Liquor, and recently launched 'Epicuisine', providing the Company with a much-needed differentiation |

| Risks | Description | Mitigation |
|---|---|---|
| **Compliance Risk** | Failure to comply with ethical standards could expose business to reputational risk and loss of goodwill. One of the most serious threats to the Company's reputation is possibility that Material Non-Public Information (MNPI) would be exploited, resulting in an insider trading prosecution | Spencer's & Natures Basket Team is equipped with appropriate skills and Knowledge and digital capability to regularly monitors regulatory requirements<br>The Company has a 'Code of Conduct' in place to govern, monitor, and report insider trading in accordance with the SEBI's Prohibition of Insider Trading Regulations<br>As mandated by SEBI, the Company has built an in-house portal for Insider Trading Compliance and installed a Compliance Management System (CMS) as part of the ongoing efforts to promote corporate governance<br>The Company has an effective 'Whistleblower' policy that allows employees to raise concerns unhesitatingly |
| **IT Risk** | Potential loss of information and IT system failures related to performance, including cyber-attack concerns, potentially affecting the operational capabilities of stores, centres, warehouses and distribution systems | The Company conducts regular inspections of the internal IT security systems to prevent sudden system failures<br>The Company further protects these systems, with a variety of disaster recovery plans, and adequate firewalls |
| **Quality Risk** | Loss of trust and customer confidence due to ineffective product quality and services | The Company's quality team performs rigorous quality and safety checks to ensure all quality standards are followed<br>The Company takes customer complaints seriously. Thereon, Spencer's service team is trained to be patient with customers' issues and ensure speedy and effective customer redressal |

## HUMAN RESOURCE MANAGEMENT

We believe that human resources are vital for building, strengthening, and altering an organisation's culture. So, we ensure that our human resources department is in sync with the Company's goals at all times. It develops digital solutions and facilitates a transparent and service-oriented culture within the Company. People-friendly policies and procedure are among our priorities, wherein we focus on implementing finest HR policy practices.

We aim at hiring and retaining the best talent for our organisation. We are equal opportunity employers and believe in diversity in our workplace and equitable remuneration for all. We hire people from all walks of life across geographies. We also hire people with disabilities for roles that are friendly to their working condition. We are a non-discriminatory employer and value diversity at workplace. Therefore, wev remain dedicated to fostering a positive and healthy work environment. The Company strongly focuses on employee training and development. We provide functional training and customer first training programmes – *'Parichay'*. Aimed at preparing our people for customer interaction. We also provide further career development opportunities to our employees through our initiative *'Utthaan'*. At Spencer's, we aim at creating an inclusive and supportive work environment. Employees are empowered in a way that encourages positive behaviour, resulting in improved performance and value addition for customers. The Company also evaluates and recognises its top talent through its R&R events *'Umang'* and *'Utsav'*. We believe a motivated and happy workforce, aligned with the organisational objects can propel the Company to the next orbit of growth.

Spencer's has been recognised as the **'A Great Place to Work'** for third year in a row. As of March 31, 2022, the Company's consolidated talent pool stands at 5,462, including women accounting for about 23% of total workforce. Spencer's lays a great focus on women's empowerment, encouraging its female employees to participate in numerous training programmes, like as 'Saheli' and 'Naari Shakti,' to help them grow and develop. Furthermore, the Company also employs individuals having completed National Apprenticeship Promotion Scheme (NAPS).

## INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

Spencer's internal control system and internal audit processes are designed to safeguard the organisation's assets and resources, and to provide reasonable assurance on the reliability of financial reporting and other operational data. We ensure all our processes are compliant to established policies, procedures and statutory requirements. The Company has developed well-documented guidelines, procedures for authorisation and approvals, including regular audits. The internal audit system encompasses all financial and operational controls across all divisions, functions, and departments. Our internal audit team reviews the organisation's various functions on a regular basis and identifies opportunities for 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.

For and on behalf of the Board of Directors

**Dr. Sanjiv Goenka**
Chairman
(DIN 00074796)

Kolkata, May 12, 2022

# Report on Corporate Governance

**(Annexure 'B' to Board's Report)**

Corporate Governance is a process of governing a corporate entity which through a set of systems, procedures and practices that establishes a valuable relationship of trust with all stakeholders. Fundamental of Corporate Governance includes transparency, accountability and independence. Such a strong fundamental helps in maximizing wealth for the Company's stakeholders. In order to accomplish fair Corporate Governance, the Government of India has put in place a framework based on stipulations contained under the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure requirements) Regulations 2015, ('SEBI Listing Regulations') Accounting Standards and Secretarial Standards etc. Company considers stakeholders as partners in its business process.

## Spencer's Philosophy on Code of Governance

The Company is one of the leading multi-format omni-channel retailer in India, catering to the needs of the upmarket urban consumers for daily fresh food to world food and ingredients. The Company is committed to continuously upgrade its operations and performance to enhance stakeholders' 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 ('Board') 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 organisation 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 organisation emphasises on maintaining the highest levels of transparency, accountability, awareness and equity across all operational aspects. As a listed Company, Spencer's ensures compliance with all the applicable provisions of the SEBI 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 endeavors 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 shares of the Company are listed on BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). A report on the Company's compliance with the Corporate Governance provisions as prescribed SEBI 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, reflects the status of compliance of corporate governance norms of the SEBI Listing Regulations by Spencer's Retail Limited for the year ended March 31, 2022.

## COMPLIANCE WITH CORPORATE GOVERNANCE GUIDELINES

The Company is in compliance with the requirements stipulated under Chapter IV read with Schedule V of the SEBI Listing Regulations, as amended from time to time with respect to corporate governance.

A report on the Company's compliance with the applicable corporate governance provisions for the financial year 2021-22, is given hereunder.

## BOARD OF DIRECTORS

### Composition and Attendance

The Board is at the core of the Company's Corporate Governance practices and oversees how the Management serves and protects the long-term interests of all its stakeholders. The Board critically evaluates Company's strategic direction, management policies and their effectiveness.

The Company believes that an active, well-informed and Independent Board is an important facet of responsible behavior which is necessary to ensure the highest standards of Corporate Governance.

The Board comprises of an optimum combination of Executive, Non-Executive and Independent Directors. As on March 31, 2022, the Board comprises of eight Directors. The Board is headed by a Non-Executive Non-Independent Chairman. Further, the Company is having Six Non-Executive Directors out of which four are 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") as well as Regulation 17 of the SEBI Listing Regulations.

The Company has in place succession plan for the Board of Directors and Senior Management of the Company.

The Details of other Directorship/Chairmanships/Membership of Committee 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 March 31, 2022.**

| Name of the Directors | 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 | Attendance at last AGM |
| Dr. Sanjiv Goenka | Promoter, Non- Executive Director & Chairman | 8 | 5 | 3 | 4 | 4 | Yes |
| Mr. Shashwat Goenka | Non- Executive Director | 5 | 1 | 0 | 4 | 4 | Yes |
| Mr. Utsav Parekh | Non-Executive, Independent Director | 8 | 5 | 3 | 4 | 4 | Yes |
| Mr. Pratip Chaudhari | Non-Executive, Independent Director | 6 | 6 | 0 | 4 | 3 | Yes |
| Ms. Rekha Sethi | Non-Executive, Independent Director | 4 | 3 | 0 | 4 | 4 | Yes |
| Mr. Debanjan Mandal | Non-Executive, Independent Director | 9 | 5 | 1 | 4 | 4 | Yes |
| Mr. Devendra Chawla | CEO and Managing Director | 1 | 0 | 0 | 4 | 4 | Yes |
| Mr. Rahul Nayak | Whole-time Director | 0 | 0 | 0 | 4 | 4 | Yes |

*Members include Chairmanship.

**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. Except Dr. Sanjiv Goenka and Mr. Shashwat Goenka, none of the Directors 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/investor.
5. The Company has in place, plans for orderly succession for appointment to the Board of Directors and Senior Management.
6. The Independent Directors have confirmed that they meet the criteria of independence u/s 149(6) of the Act and the SEBI Listing Regulations. The Board is of the opinion that the Independent Directors fulfill the conditions prescribed under 16(1)(b) & 25(8) of SEBI Listing Regulations and are independent of the management. None of the Independent Directors resigned before the expiry of his /her tenure since the last Annual General Meeting of the Company and the maximum tenure of the Independent Directors is in compliance with the Act. The terms and conditions of the appointment of Independent Directors is available on the Company's website at; http://www.spencersretail.com/investor.
7. Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, Board Meetings and majority of the Committee Meetings in financial year 2021-22, were held through Video Conferencing.
8. The Company has proper systems to enable the Board of Directors to periodically review the compliance reports of all laws applicable to the Company.
9. The Chairman of the Company is a Non-Executive Director and is not related to the Managing Director and Whole-time Director of the Company.

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

| Name of the Directors | Directorship in other Listed Entities | Category |
|---|---|---|
| Dr. Sanjiv Goenka | a) CESC Limited | Chairman / Non Executive/Non-Independent |
| | b) PCBL Limited (formerly known as Phillips Carbon Black Limited) | |
| | c) Saregama India Limited | |
| | d) Firstsource Solutions Limited | |
| | e) RPSG Ventures Limited | |
| Mr. Shashwat Goenka | a) PCBL Limited (formerly known as Phillips Carbon Black Limited) | Non-Executive / Non-Independent |
| | b) Firstsource Solutions Limited | |
| | c) RPSG Ventures Limited | |
| | d) CESC Limited | |
| Mr. Utsav Parekh | a) Xpro India Limited | Non-Executive /Independent |
| | b) Texmaco Rail & Engineering Limited | |
| | c) Texmaco Infrastructure & Holdings Limited. | |
| | d) Smifs Capital Markets Limited. | |
| | e) Eveready Industries India Limited | |
| Mr. Pratip Chaudhuri | a) CESC Limited | Non-Executive / Independent |
| | b) Firstsource Solutions Limited | |
| | c) Muthoot Finance Limited | |
| | d) Cosmo Films Limited | Non-Executive / Non-Independent |
| Ms. Rekha Sethi | a) CESC Limited | Non-Executive / Independent |
| | b) Kirloskar Brothers Limited | |
| | c) Motherson Sumi Systems Limited | |
| Mr. Debanjan Mandal | a) Century Plyboards (India) Limited | Non-Executive / Independent |
| | b) Industrial and Prudential Investment Co. Limited | |
| | c) CESC Limited | |
| Mr. Devendra Chawla | NIL | NIL |
| Mr. Rahul Nayak | NIL | NIL |

## SKILLS/EXPERTISE/COMPETENCIES IDENTIFIED BY THE BOARD OF DIRECTORS

As required under the SEBI Listing Regulations, the list of core skills/expertise/competencies as identified by the Board of Directors in the context of its business and sector for it to function effectively and those available with the Board are as under:

### Definitions of skills/expertise/competencies

| | |
|---|---|
| **Financial** | Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions. |
| **Diversity** | Representation of gender, ethnic, geographic, cultural, or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments, and other stakeholders worldwide. |
| **Leadership** | Extended leadership experience for a significant enterprise, resulting in a practical understanding of organisations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth. |
| **Technology** | A significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation, and extend or create new business models. |

| | |
|---|---|
| **Board service and Governance** | Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices. |
| **Sales and marketing** | Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation. |
| **Sustainability, Environment, Social and Governance (ESG)** | Experience in leading the sustainability and ESG visions of organisations, to be able to integrate these into the strategy of the Company. |
| **Risk expertise** | Experience in identifying and evaluating the significant risk exposures to the business strategy of the Company and assess the Management's actions to mitigate the strategic, legal and compliance, and operational risk exposures. |

The details of Directors of the Company who possess those skills/expertise/competencies are as given below:

| Director | Financial | Diversity | Leadership | Technology | Board Service and Governance | Sales and Marketing | Sustainability, Environment, Social and Governance (ESG) | Risk Expertise |
|---|---|---|---|---|---|---|---|---|
| **Dr. Sanjiv Goenka** | √ | √ | √ | √ | √ | √ | √ | √ |
| **Mr. Shashwat Goenka** | √ | √ | √ | √ | √ | √ | √ | √ |
| **Mr. Utsav Parekh** | √ | √ | √ | √ | √ | √ | √ | √ |
| **Mr. Pratip Chaudhari** | √ | √ | √ | √ | √ | √ | √ | √ |
| **Ms. Rekha Sethi** | √ | √ | √ | √ | √ | √ | √ | √ |
| **Mr. Debanjan Mandal** | √ | √ | √ | √ | √ | √ | √ | √ |
| **Mr. Devendra Chawla** | √ | √ | √ | √ | √ | √ | √ | √ |
| **Mr. Rahul Nayak** | √ | √ | √ | √ | √ | √ | √ | √ |

## BOARD MEETINGS

In the financial year 2021-22, the Board met 4 (four) times on June 15, 2021, August 10, 2021, November 12, 2021 and February 9, 2022. The Board Meeting is conducted at least once in every quarter to review the Quarterly Financial results, performance of the Company and other items on the agenda. Additional meetings are held when necessary on need basis. The Company also provides facility to the Directors to attend the meetings of the Board and its Committees through Video Conferencing mode and Other Audio Visual Means.

The gap between two Board Meetings is well within the maximum time gap of one hundred and twenty days as prescribed under 173 of the Act and Regulation 17(2) of the SEBI Listing Regulations respectively or any statutory extension thereof.

The Company Secretary attends all the meetings of the Board and its Committees, advises and assures the Board on compliance and governance principles also ensures appropriate recording of minutes of the proceedings of the meetings.

## MEETINGS OF INDEPENDENT DIRECTORS

Pursuant to Schedule IV of the Act and as per Regulation 25(3) of SEBI Listing Regulations, during the financial year 2021-22, Independent Directors met on February 9, 2022 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's management and the Board and other related matters. Majority of the Independent Directors attended the said 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 SEBI Listing Regulations. The Board of Directors of the Company is of the opinion that the independent directors fulfill the conditions specified in SEBI 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 Part A of Schedule II of SEBI Listing Regulations read with 17(7) of the said regulations with regard to information being place before the Board of Directors. These papers are circulated to the Directors well in advance for their perusal and inspection. 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.

Prime operational matters are brought to the notice of the Board at its meetings 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, Senior Management Personnel and their duties and responsibilities have been meticulously followed. All Directors and Senior Management Personnel have affirmed their compliance with the Code for the financial year ended March 31, 2022 in terms of Regulation 26(3) of the SEBI Listing Regulations 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 http://www.spencersretail.com/investor.

## COMMITTEES OF THE BOARD

The Board Committees plays a vital role in strengthening the Corporate Governance practices and focus effectively on the issues and ensure expedient resolution of diverse matters. The Board Committees are set up under formal approval of the Board to carry out clearly defined roles as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their actions. The minutes of the proceedings of the meetings of all Committees are placed before the Board for its review and noting purposes.

The Board is responsible for assigning and fixing terms of service for committee members. The Chairman of the Board, in consultation with the Company Secretary and the Committee Chairperson, determines the frequency and duration of the Committee meetings. The recommendations of the Committees are submitted to the Board for approval. During the year, all recommendations of the Committees were approved by the Board. The quorum for meetings is the higher of two members or one-third of the total number of members of the Committee.

The Board has five committees namely:

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

The primary objective of the Committee is to assist the Board with oversight of:

a) The accuracy, integrity and transparency of the Company's financial statements with adequate and timely disclosures

b) Compliance with legal and regulatory requirements

c) The Company's Independent Auditors' qualifications and independence

d) The performance of the Company's Independent Auditors and Internal Auditors

e) Acquisitions and investments made by the Company

### (i) Composition :

As on March 31, 2022, Audit Committee comprises:

| SL. No. | Name of the Director | Category | Member/ Chairman |
|---|---|---|---|
| 1. | Mr. Utsav Parekh | Non- Executive Independent Director | Chairman |
| 2. | Mr. Pratip Chaudhuri | Non- Executive Independent Director | Member |
| 3. | Mr. Shashwat Goenka | Non-Executive Director | Member |
| 4. | Mr. Debanjan Mandal | Non-Executive Independent Director | Member |

All members of the Audit Committee have accounting and financial management expertise.

**(ii) Meetings:**

The Committee met four times during the financial year on June 15, 2021, August 10, 2021, November 12, 2021 and February 9, 2022. The attendance record of the Members at the Meeting is given below in Table 3.

**Table 3: Attendance Record of Audit Committee Meeting**

| Name of Members | Status | Category | No. of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| Mr. Utsav Parekh | Chairman | Non-Executive Independent Director | 4 | 4 |
| Mr. Shahshwat Goenka | Member | Non-Executive Director | 4 | 4 |
| Mr. Pratip Chaudhuri | Member | Non-Executive Independent Director | 4 | 3 |
| Mr. Debanjan Mandal | Member | Non-Executive Independent Director | 4 | 4 |

The Chief Financial Officer 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. The Company Secretary acts as 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) scrutinise 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 SEBI 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.

(w) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

(x) 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 SEBI Listing Regulations.

## 2. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The objective of the Committee is to assist the Board and the Company to oversee the various aspects of interests of stakeholders of the Company such as:

a) Consider and resolve the security holders' concerns or complaints

b) Monitor and review the investor service standards of the Company.

c) Take steps to develop an understanding of the views of shareholders about the Company, either through direct interaction, analysts' briefings or survey of shareholders.

d) Oversee and review the engagement and communication plan with shareholders and ensure that the views and concerns of the shareholders are highlighted to the Board at the appropriate time and that steps are taken to address such concern.

### (i) Composition :

As on March 31, 2022, the Stakeholders Relationship Committee comprises:

| Sl. No. | Name of the Director | Category | Member/ Chairman |
|---|---|---|---|
| 1. | Dr. Sanjiv Goenka | Non-Executive Director | Chairman |
| 2. | Mr. Shashwat Goenka | Non-Executive Director | Member |
| 3. | Mr. Utsav Parekh | Non-Executive Independent Director | Member |
| 4. | Mr. Rahul Nayak | Whole Time Director | Member |

The Company Secretary acts as the Secretary to the Committee.

### (ii) Meetings:

The Committee met four times during the financial year on June 15, 2021, August 10, 2021, November 12, 2021 and February 9, 2022. The attendance record of the Members at the Meeting is given below in Table 4.

**Table 4: Attendance Record of Stakeholders Relationship Committee Meeting**

| Name of Members | Status | Category | No. of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| Dr. Sanjiv Goenka | Chairman | Non-Executive Director | 4 | 4 |
| Mr. Shahshwat Goenka | Member | Non-Executive Director | 4 | 4 |
| Mr. Utsav Parekh | Member | Non-Executive Independent Director | 4 | 4 |
| Mr. Rahul Nayak | Member | Whole time Director | 4 | 4 |

Details of the number and nature of complaints received and redressed during the financial year 2021-22 are given in the section titled "Additional Shareholder Information".

- The Company has a User ID and Password in place for logging into the SEBI Complaints Redressal System – 'SCORES' and can view the complaints which have been lodged by the shareholders. The Company ensures that timely redressals are made against any complaints raised by the shareholders relating to registration of share transfers, issue of new share certificates, sub-division or consolidation of shareholdings etc.
- The Chairperson of the Stakeholders Relationship Committee, Dr. Sanjiv Goenka was present at the 4th Annual General Meeting of the Company held on August 18, 2021 to answer the queries of the shareholders.
- The Company Secretary is in attendance at the Stakeholders' Relationship Committee Meetings.

### (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 SEBI 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

The objective of the Nomination and Remuneration Committee is to assist the Board of Directors in fulfilling its governance and supervisory responsibilities relating to human resource management and compensation and to ensure a fair transparent and equitable remuneration to employees and Directors based on quality of people, their performance and capability.

### (i) Composition :

As on March 31, 2022, the Nomination Remuneration Committee comprises:

| SL. No. | Name of the Director | Category | Member/ Chairman |
|---|---|---|---|
| 1. | Mr. Utsav Parekh | Non-Executive Independent Director | Chairman |
| 2. | Mr. Pratip Chaudhuri | Non-Executive Independent Director | Member |
| 3. | Dr. Sanjiv Goenka | Non-Executive Director | Member |

The Company Secretary acts as the Secretary to the Committee

### (ii) Meetings:

The committee met three times during the financial year on June 15, 2021, November 12, 2021, and February 9, 2022. The attendance of members is given below in Table 5:

Table 5: Attendance Record of Nomination & Remuneration Committee Meeting

| Name of Members | Status | Category | No. of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| Mr. Utsav Parekh | Chairman | Non-Executive Independent Director | 3 | 3 |
| Mr. Pratip Chaudhuri | Member | Non-Executive Independent Director | 3 | 2 |
| Dr. Sanjiv Goenka | Member | Non-Executive Director | 3 | 3 |

### (iii) 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.

### (iv) 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 of the Board, its Committees and Individual Directors :

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of the Chairman, the Board, Board committees, and executive / non-executive /independent directors through peer evaluation, excluding the director being evaluated.

Independent Directors have three key roles – governance, control and guidance. Some of the performance indicators, based on which the independent directors are evaluated, includes:

- The ability to contribute to and monitor our corporate governance practices;
- The ability to contribute by introducing international best practices to address business challenges and risks;
- Active participation in long-term strategic planning;
- Commitment to the fulfillment of a director's obligations and fiduciary responsibilities; these include participation in Board and committee meetings.

To improve the effectiveness of the Board and its committees, as well as that of each individual director, a formal and rigorous Board review is internally undertaken on an annual basis. The evaluation process focused on Board dynamics and softer aspects. The process involved independent discussions with all Board members. Further, the evaluation process was based on the affirmation received from the Independent Directors that they met the independence criteria as required under the Act and the SEBI Listing Regulations, 2015.

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

- 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.

The Board approved NRC Policy is available on our website at http://www.spencersretail.com/investor

## 4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

The philosophy of our CSR Policy is as under:

a) To define CSR projects or programs which Company plans to undertake and which fall within the purview of the Act and Rules made thereunder as amended from time to time;

b) Modalities of execution of such CSR projects or programs;

c) Monitoring process of such CSR projects or programs;

### (i) Composition :

As on March 31, 2022, the Corporate Social Responsibility Committee comprises:

| Sl. No. | Name of the Director | Category | Member/ Chairman |
|---|---|---|---|
| 1. | Dr. Sanjiv Goenka | Non-Executive Director | Chairman |
| 2. | Mr. Shashwat Goenka | Non-Executive Director | Member |
| 3. | Mr. Utsav Parekh | Non-Executive Independent Director | Member |

The Company Secretary acts as the Secretary to the Committee

### (ii) Meetings :

The Committee met one time during the financial year on June 15, 2021.

The attendance of members is given below in Table 6:-

**Table 6: Attendance Record of Corporate Social Responsibility Committee Meeting**

| Name of Members | Status | Category | No. of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| Dr. Sanjiv Goenka | Chairman | Non-Executive Director | 1 | 1 |
| Mr. Shashwat Goenka | Member | Non-Executive Director | 1 | 1 |
| Mr. Utsav Parekh | Member | Non-Executive Independent Director | 1 | 1 |

### (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 under-taken by the Company as specified in Schedule VII of the 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 Act.

The Board approved the revised CSR Policy and the same is available on our website at: http://www.spencersretail.com/investor

## 5. RISK MANAGEMENT COMMITTEE

The Objective of Risk Management Committee is as under:

a) make a comprehensive review of the Company's significant activities in order to define the risks flowing from such activities,

b) prioritise not more than ten risks for focused approach thereon,

c) embed a risk management culture across the Company,

d) revise risk management policies appropriately from time to time, and

e) keep the Board of Directors / Shareholders appropriately informed of the risk management initiatives and status thereof.

**(i) Composition :**

As on March 31, 2022, the Risk Management Committee comprises:

| SL. No. | Name of the Director | Category | Member/ Chairman |
|---|---|---|---|
| 1. | Mr. Shashwat Goenka | Non-Executive Director | Chairman |
| 2. | Mr. Utsav Parekh | Non-Executive Independent Director | Member |
| 3. | Mr. Devendra Chawla | CEO & Managing Director | Member |
| 4. | Mr. Rahul Nayak | Whole-time Director | Member |

The Company Secretary acts as the Secretary to the Committee.

**(ii) Meetings :**

The Committee met twice during the financial year on November 30, 2021 and March 29, 2022.

The attendance of members is given below in Table 7:-

**Table 7: Attendance Record of Risk Management Committee Meeting**

| Name of Members | Status | Category | No. of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| Mr. Shashwat Goenka | Chairman | Non-Executive Director | 2 | 2 |
| Mr. Utsav Parekh | Member | Non-Executive Independent Director | 2 | 2 |
| Mr. Devendra Chawla | Member | CEO & Managing Director | 2 | 2 |
| Mr. Rahul Nayak | Member | Whole-time Director | 2 | 2 |

**(iii) Terms of reference :**

The terms of reference of the Risk Management Committee are as follows:

1. To formulate a detailed risk management policy which shall include:

    a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

    b) Measures for risk mitigation including systems and processes for internal control of identified risks.

    c) Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Board approved Risk Management Policy is available on our website at:http://www.spencersretail.com/investor

## 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 terms agreed 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 MARCH 31, 2022:

Details of Sitting Fees paid to Non-Executive Directors during the Financial Year 2021-22 are as follows: Dr. Sanjiv Goenka, Chairman – ₹ 8.00 Lakh, Mr. Shashwat Goenka – ₹ 9.50 Lakh, Mr. Utsav Parekh – ₹ 11.50 Lakh, Mr. Pratip Chaudhuri – ₹ 5.50 Lakh, Ms. Rekha Sethi – ₹ 4.50. Lakh and Mr. Debanjan Mandal – ₹ 6.50 Lakh.

Sitting fees includes payment for Board Meetings and 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, CEO and Managing Director of the Company was paid salary and other benefits of ₹ 803.33 Lakh during the financial year ended March 31, 2022.

The remuneration of Mr. Rahul Nayak, Whole-Time director of the Company was paid salary and other benefits of ₹ 176.25 Lakh during the financial year ended March 31, 2022.

**Shares held by Non-Executive Directors as on March 31, 2022:**

| Name | No. of shares held |
|---|---|
| Dr. Sanjiv Goenka | 91,659 |
| Mr. Shashwat Goenka | 75,756 |

As on March 31, 2022, no convertible instruments of the Company were outstanding.

## SUBSIDIARY COMPANIES

As on March 31, 2022, Spencer's Retail Limited had two subsidiaries, Omnipresent Retail India Private Limited (ORIPL) and Natures Basket Limited (NBL). The Company is having one material subsidiary in the current financial year, namely NBL. Further, in terms of the provisions of Regulation 24(1) of the SEBI Listing Regulations, appointment of one of the Independent Directors of the Company on the Board of material subsidiaries is not applicable to NBL.

The Company's policy for determining material subsidiary is given at: http://www.spencersretail.com/investor.

## 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 participated nor voted 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 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 Payable to the Statutory Auditor, by the Company and its Subsidiaries**

| Auditor / Firm Name | Company Name | Services rendered | Amount (₹ in Lakhs) |
|---|---|---|---|
| S. R. Batliboi & Co. LLP and Network Firms | Spencer's Retail Limited | Audit Fees and related services. | 118.32 |
| S. R. Batliboi & Co. LLP and Network Firms | Spencer's Retail Limited | Other Advisory Services | 0.75 |
| S. R. Batliboi & Co. LLP and Network Firms | Natures Basket Limited | Audit Fees and related services | 14.57 |

## 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 Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('SEBI PIT Regulations'). 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 http://www.spencersretail.com/investor

## STRUCTURED DIGITAL DATABASE FOR PREVENTION OF INSIDER TRADING PRACTICE

In accordance with the SEBI PIT Regulations, as amended, the Company has customised a secure Inside Trading Compliance Tool (maintain in house) to prohibit insider trading activity. The Company has in place a structured digital database wherein details of persons with whom Unpublished Price Sensitive Information (UPSI) is shared on need to know basis and for legitimate business purposes is maintained with time stamping and audit trails to ensure non-tampering of the database.

Further, in compliance with the SEBI PIT Regulations, the Company has in place a comprehensive Code of Conduct to Regulate, Monitor and Report Trading by Insiders, for its Directors, Senior Management Officers and Other Designated Persons. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company. The Code clearly specifies, among other matters, that Directors and Designated Persons of the Company, as defined in the Code, can trade in the shares of the Company only during 'Trading Window Open Period'. The trading window is closed during the time of declaration of results and other material events as per the Code. The intimation of the closure of Trading Window, as per the SEBI Listing Regulations at SEBI PIT Regulations, is given to the Stock Exchanges before the end of every quarter with effect from the 1st day of the month immediately succeeding the end of every quarter till 48 hours after the declaration of financial results of the Company to the Stock Exchanges. The same is intimated to the Designated Persons through the aforesaid portal as well. The Codes are posted on the website of the Company at the http://www.spencersretail.com/investor. Under this Insider Trading Compliance Tool all its Designated Employees (who are deemed to be Insiders having access to UPSI) have declare their personal information along with Initial holding as required under aforesaid Regulations.

## CREDIT RATINGS

The Company has obtained credit rating during the financial year 2021-22 from CARE Ratings Limited as specifically required by the lender banks. The rating obtained is BBB and the outlook is stable.

## OUTSTANDING GDRs/ ADRs/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

There are no GDR/ ADR/ Warrants or any Convertible Instruments pending conversion or any other instruments likely to impact the equity share capital of the Company.

## COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company has taken suitable steps from time to time for protecting it against foreign exchange risk(s). The Company does not enter into hedging activities.

As such, the Company is not exposed to any commodity price risk, and hence the disclosure under Clause 9(n) of Part C of Schedule V in terms of the format prescribed vide SEBI Circular, dated November 15, 2018, is not required.

## DETAILS OF UTILIZATION OF FUNDS

The Company does not have any unutilised fund for reporting of its utilisation in terms of Regulation 32(7A) of SEBI Listing Regulations.

## 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 2021-22. There has been no material transaction with any of the related parties which may have potential conflict with the interests of the Company. There have 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 http://www.spencersretail.com/investor.

## LOANS AND ADVANCES

During the year under review, Company and its subsidiaries have not given any loans and advances to firms / companies in which Directors of the Company is interested.

## ESTABLISHMENT OF VIGIL / WHISTLE BLOWER MECHANISM

As required under the Act and SEBI Listing Regulations, the Company has formulated a Vigil Mechanism / Whistle Blower Policy for its Directors and permanent employees. Under the said 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. The Whistle Blower Policy / Vigil Mechanism Policy adopted by the Company is available on the website of the Company at http://www.spencersretail.com/investor

## ANTI SEXUAL HARASSMENT POLICY

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the 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 pending at the beginning of the financial year | NIL |
| Number of complaints filed during the financial year | NIL |
| Number of complaints disposed off 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 SEBI Listing Regulations.

## 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 http://www.spencersretail.com/investor regularly for the benefit of its shareholders and the public at large.

During the year, the Company's quarterly / annual results / annual report have been published in English and Bengali newspapers i.e. Business Standards / Financial Express and Aajkaal respectively as applicable and also posted on its website. Hence, they are not separately sent to the Shareholders. However, the Company furnishes the quarterly results/Annual Report on receipt of a request from any Shareholder.

## GENERAL BODY MEETINGS

The 5th Annual General Meeting of the Company will be held on Friday, July 29, 2022 at 12:30 p.m. IST through Video Conferencing (VC) and Other Audio Visual Means (OAVM).

The date, time and venue along with other details of the last three Annual General Meetings are given below.

| Financial year | Date | Time | Venue | Special Resolutions Passed | Details of the Special Resolution |
|---|---|---|---|---|---|
| 2020-21 | August 18, 2021 | 12:30 a.m. IST | Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")' | One | Creation of Charge/Security on movable and immovable properties of the Company. |
| 2019-20 | August 3, 2020 | 12:30 a.m. IST | Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") | NIL | NIL |
| 2018-19 | July 19, 2019 | 10:30 a.m. IST | Rangmanch, Raajkutir Swabhumi, 89C, Moulana Abul Kalam Azad Sarani, Kolkata, West Bengal - 700054 | Five | 1. Appointment of Mr. Devendra Chawla as CEO and Managing Director.<br>2. Appointment of Mr. Rahul Nayak as Whole-time Director.<br>3. Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings.<br>4. Investment up to ₹ 250 Crores for acquiring shares / other securities of body(ies) corporate.<br>5. Introduction and implementation of 'Spencer's Employees Stock Option Scheme'. |

No resolution is proposed to be passed through postal ballot during for the 2021-22.

There was no Extra-Ordinary General Meeting /Postal Ballot Meeting held during the financial year 2021-22.

## COMPLIANCE

No penalty has been imposed by any stock exchange, SEBI nor has there been any instance of non-compliance with any legal requirements, or on matters relating to the capital market.

## DISCRETIONARY REQUIREMENTS

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

a) The Statutory Auditors have issued an unmodified audit opinion on the financial statements of the Company for the year ended March 31, 2022.

b) Separate posts of Chairperson and the CEO & Managing Director is in place.

c) The Internal Auditor directly reports to the Audit Committee for functional matters and presents the internal audit report to the Audit Committee.

d) Details of shareholders' rights in this regards are given in the section 'Communication to Shareholders'.

## OTHER DISCLOSURES

### 1. Disclosures on Compliance of Law

The Company has complied with the mandatory requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets since its listing. During the said period no penalties or strictures were imposed by SEBI, Stock Exchanges, or any Statutory Authorities on any matter related to capital markets.

### 2. Policy for determining 'Material' Subsidiaries

The Company has adopted a Policy on Material Subsidiary in line with the requirements of the SEBI Listing Regulations. The objective of this Policy is to lay down criteria for identification and dealing with material subsidiaries. The policy on Material Subsidiary is available on the website of the Company at the following link: http://www.spencersretail.com/investor.

### 3. Annual Secretarial Compliance Report

The Company has undertaken an Annual Secretarial Compliance Audit for the financial year 2021-22 for all applicable compliances as per SEBI Regulations and Circulars/Guidelines issued thereunder. Accordingly, the Annual Secretarial Compliance Report for the financial year ended March 31, 2022 has been submitted to the Stock Exchanges within the prescribed timeline.

### 4. Directors and Officers Insurance ('D and O Insurance')

The Company has in place D and O Insurance Policy for all its Independent Directors/Directors/KMP of such quantum and covering all such risks as may be determined by the Board of Directors of the Company.

### 5. Anti-Bribery Policy

The Company has formulated an Anti-Bribery Policy which explains the Company's individual responsibility to comply with anti-bribery and anti-corruption laws around the world and to ensure that any third parties that the Company engages to act on its behalf, do the same. The policy is posted on the Company's website at the following link: http://www.spencersretail.com/investor.

## CERTIFICATE ON CORPORATE GOVERANCE

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

The Company has complied with the requirements prescribed under Regulations 17 to 27 and 34(3) read with Schedule V of the SEBI Listing Regulations.

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 Authorities on any matter related to capital markets from the date of listing.

On behalf of the Board of Directors

**Dr. Sanjiv Goenka**
Chairman
(DIN - 00074796)

Kolkata, May 12, 2022

# Corporate governance Compliance Certificate

for the financial year ended March 31, 2022

**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 March 31, 2022 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 ('SEBI Listing Regulation').

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 and based on the Audit conducted by us physically and also by way of electronic mode, 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)**
Proprietor
S. M. GUPTA & CO.

Company Secretaries
Firm Registration No.: S1993WB816800
Membership No: FCS – 896
CP No.: 2053
Peer Review No: 718/2020
UDIN: F000896D000308148

Kolkata, May 12, 2022

---

## CERTIFICATION FROM THE CEO & MANAGING DIRECTOR AND THE CFO

In terms of Regulation 17(8) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, we hereby certify as under:

A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:
   - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   - ii. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. The Company have indicated to the Auditors and the Audit Committee:
   - (1) significant changes in internal control over financial reporting during the year, if any;
   - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and, if any;
   - (3) instances of significant fraud of which the Company have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting, if any;

**Devendra Chawla**
CEO & Managing Director

**Neelesh Bothra**
Chief Financial Officer

Kolkata, May 12, 2022

# Additional Shareholder Information

**(Annexure 'C' to Board's Report)**

## ANNUAL GENERAL MEETING

| | | |
|---|---|---|
| Date | : | Friday, July 29, 2022 |
| Time | : | 12:30 p.m. |
| Venue | : | The Company by virtue of MCA General Circular No. 2/2022 dated May 5, 2022, wherein it has been allowed to conduct meeting through VC / OAVM till December 31, 2022 and as such there is no requirement to have a venue for the Annual General Meeting (AGM). For details, please refer to the Notice of this AGM. |
| FINANCIAL CALENDAR | : | April 1 to March 31 |

**For the financial year ended March 31, 2022 results were announced on:**

| Period | First Quarter | Second Quarter | Third Quarter | Fourth Quarter and Annual Results |
|---|---|---|---|---|
| Date | August 10, 2021 | November 12, 2021 | February 9, 2022 | May 12, 2022 |

The above details are in compliance with the circular dated May 5, 2020, issued by MCA.

**For the financial year ended March 31, 2023, results will be announced by:**

| Period | First Quarter | Second Quarter | Third Quarter | Fourth Quarter and Annual Results |
|---|---|---|---|---|
| Date | on or before August 14, 2022 | on or before November 14, 2022 | on or before February 14, 2023 | on or before May 30, 2023 |

The above dates are subject to any statutory extension, if any, allowed in future.

## DIVIDEND

In view of the accumulated losses, the Board of Directors of the Company didn't declare any dividend for the financial year ended on March 31, 2022.

## LISTING

Equity shares of Spencer's Retail Limited are listed on National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE').

## STOCK CODES

| Stock Exchange | Address | Stock Code |
|---|---|---|
| National Stock Exchange of India Limited | Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 | SPENCERS |
| BSE Limited | Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400 001 | 542337 |
| ISIN No. | - | INE020801028 |

All Listing fees have been paid to the Stock Exchanges upto the financial year 2022-23.

## STOCK DATA AND PERFORMANCE

Table 1 below gives the monthly high and low prices of the Company's equity shares at the BSE and NSE for the Financial Year 2021-22.

**Table 1: High and Low Prices at the BSE and NSE:-**

(in ₹)

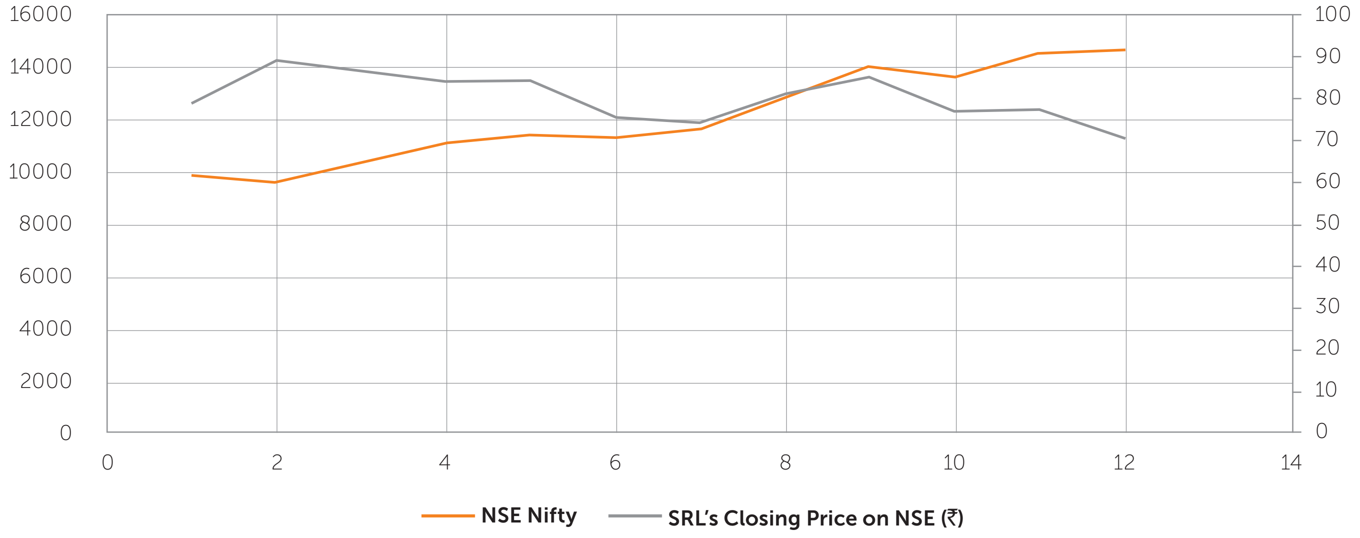
| Month | BSE | | NSE | |
|---|---|---|---|---|
| | High | Low | High | Low |
| April, 2021 | 75.00 | 65.75 | 75.00 | 65.70 |
| May, 2021 | 79.25 | 67.85 | 79.20 | 68.55 |
| June, 2021 | 85.25 | 72.15 | 85.45 | 72.00 |
| July, 2021 | 113.75 | 76.35 | 113.70 | 77.30 |
| August, 2021 | 114.55 | 90.00 | 114.65 | 90.05 |
| September, 2021 | 130.00 | 100.15 | 130.25 | 100.25 |
| October, 2021 | 138.40 | 114.05 | 138.50 | 114.00 |
| November, 2021 | 144.15 | 98.80 | 144.30 | 98.70 |
| December, 2021 | 113.75 | 96.00 | 114.00 | 96.00 |
| January, 2022 | 114.20 | 92.45 | 113.70 | 92.60 |
| February, 2022 | 103.30 | 72.00 | 103.40 | 72.00 |
| March, 2022 | 90.00 | 73.50 | 91.20 | 73.35 |

Table 2 provides the closing price of the Company's equity shares on NSE & BSE with leading market and sector indices at the last trading day for each month during the financial year 2021-22:

**Table 2: Performance in Comparison to NSE Nifty, BSE Sensex, and BSE 500 Index for the Financial Year 2021-22:-**

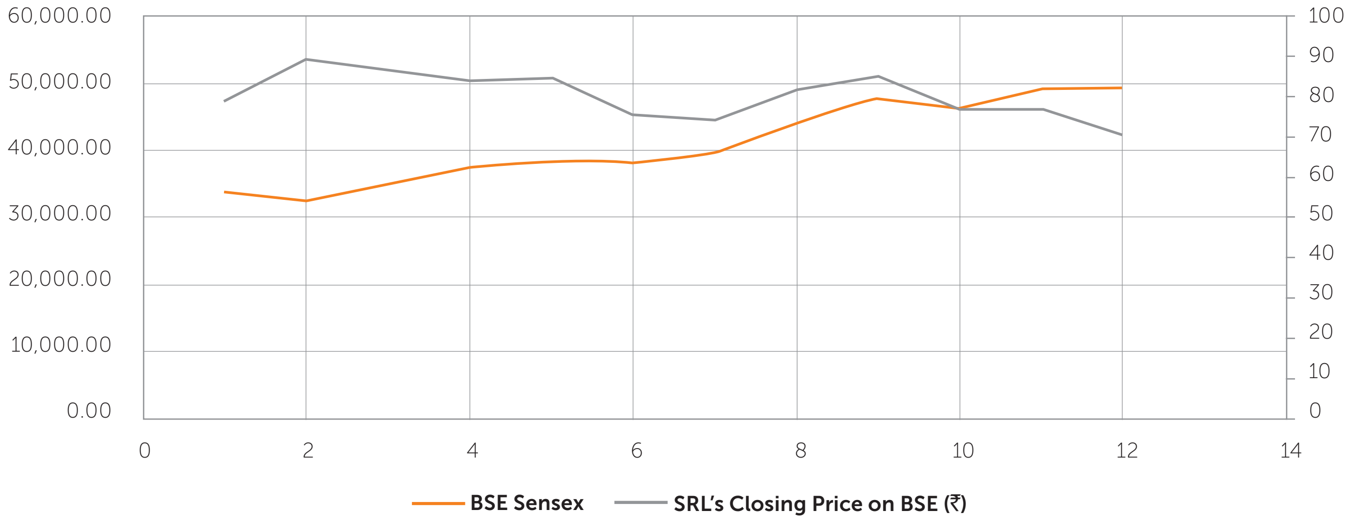
| As on close of last trading day for each Month | SRL's Closing Price on NSE (₹) | SRL's Closing Price on BSE (₹) | NSE Nifty | BSE Sensex | BSE 500 Index |
|---|---|---|---|---|---|
| April, 2021 | 71.55 | 71.55 | 14631.10 | 48,782.36 | 19,689.52 |
| May, 2021 | 73.55 | 73.55 | 15582.80 | 51,937.44 | 21,055.18 |
| June, 2021 | 77.95 | 77.85 | 15721.50 | 52,482.71 | 21,463.09 |
| July, 2021 | 108.10 | 107.95 | 15763.05 | 52,586.84 | 21,753.68 |
| August, 2021 | 101.65 | 101.40 | 17132.20 | 57,552.39 | 23,174.23 |
| September, 2021 | 127.15 | 127.65 | 17618.15 | 59,126.36 | 23,937.54 |
| October, 2021 | 125.60 | 126.85 | 17671.65 | 59,306.93 | 23,990.09 |
| November, 2021 | 100.60 | 100.50 | 16983.20 | 57,064.87 | 23,276.88 |
| December, 2021 | 99.25 | 99.35 | 17354.05 | 58,253.82 | 23,811.00 |
| January, 2022 | 98.05 | 97.95 | 17339.85 | 58,014.17 | 23,715.29 |
| February, 2022 | 80.30 | 80.50 | 16793.90 | 56,247.28 | 22,741.64 |
| March, 2022 | 80.35 | 80.50 | 17464.75 | 58,568.51 | 23,695.01 |

**Chart A : Spencer's Share Performance versus NSE Nifty**

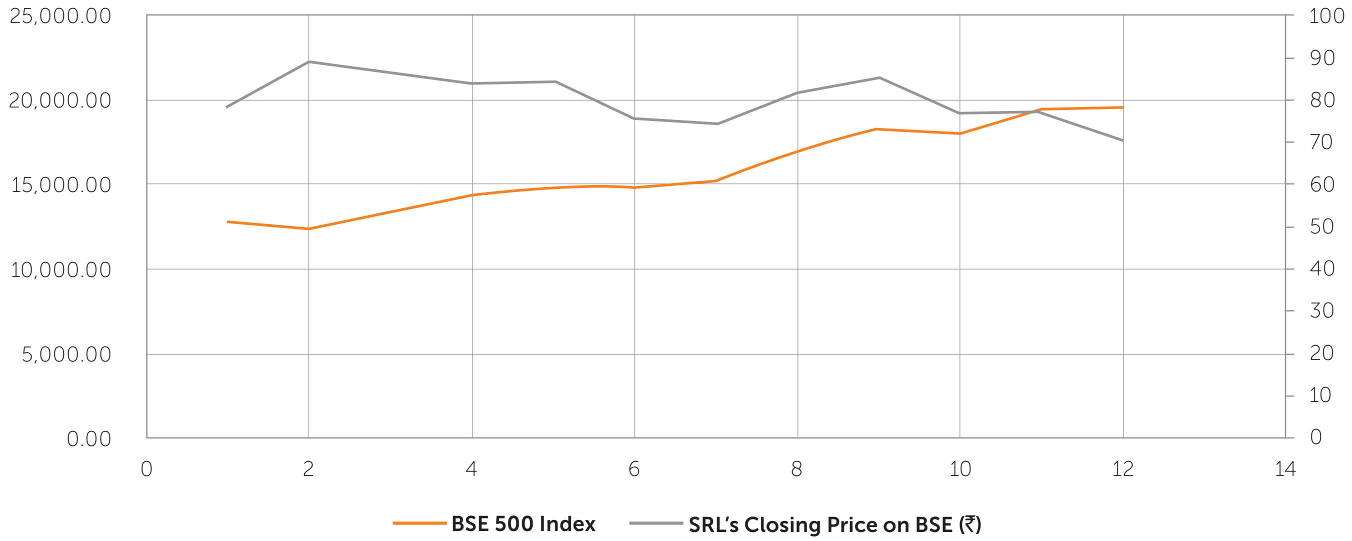


Additional Shareholder Information (Contd.)

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



### Chart C : Spencer's Share Performance versus BSE 500 Index



## SHARE TRANSFER ARRANGEMENT, INVESTOR GRIEVANCES & CONTACT INFORMATION

The Company processes share transfers through its Registrar and Share Transfer Agent ('RTA'), whose details are given below:

| | |
|---|---|
| Name | Link Intime India Private Limited |
| Address | C 101, 1st Floor, 247 Park, L B S Marg, Vikhroli West, Mumbai-400083 |
| Telephone No. | +91 22 49186270 |
| E-mail | rnt.helpdesk@linkintime.co.in |
| Website | www.linkintime.co.in |

Investors correspondence and /or grievances, if any may be sent to the Company's RTA at the above address or at the Secretarial Department of Company's Registered /Corporate Office, address of which are given below:

| | |
|---|---|
| Name | Spencer's Retail Limited |
| Registered Office Address | Duncan House, 31, Netaji Subhas Road, Kolkata -700001 |
| Corporate Office Address | RPSG House, 3rd Floor, 2/4, Judges Court Road, Kolkata – 700027 |
| Telephone No. | 033-24871901/66257600 |
| E-mail | spencers.secretarial@rpsg.in |
| Website | www.spencersretail.com |

Mr. Rama Kant, Company Secretary, is the Compliance Officer entrusted with overseeing the redressal of shareholders grievances. In compliance with the SEBI circular dated December 27, 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 RTA.

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 depositories. The RTA of the Company periodically receive 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:

| S. No. | Name of the Depository | Address |
|---|---|---|
| 1. | National Securities Depository Limited (NSDL) | Trade World, A wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400013 |
| 2. | Central Depository Services (India) Limited (CDSL) | Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai -400013 |

**Number of Shareholders and Shares held in Physical and Dematerialised form as on March 31, 2022.**

| Nature of holding | Holders | Percentage | Shares | Percentage |
|---|---|---|---|---|
| **DEMAT** | 60,888 | 93.15 | 8,93,85,522 | 99.17 |
| **Physical** | 4,477 | 6.85 | 7,46,487 | 0.83 |
| **Total** | **65,365** | **100** | **9,01,32,009** | **100** |

The Company had not issued any GDRs/ADRs/Warrants and there are no convertible instruments outstanding as on March 31, 2022. Further, there is no subsisting court order in legal proceedings against the Company in any share transfer/transmission matter. Table 3 gives details of the number and nature of complaints for the year 2021-22:

**Table 3: Complaints from Shareholders during 2021-22:**

| Particulars | Complaints | | | | |
|---|---|---|---|---|---|
| | Non receipts of Equity shares (Demat & Physical) | Non-Receipt of Dividend | Regarding Untilised RE's Reports / Non Receipt of Demat Credit | Others | Total |
| Opening Balance | NIL | NIL | NIL | NIL | NIL |
| Received during the year | 5 | - | 1 | 5 | 11 |
| Resolved during the year | 5 | - | 1 | 5 | 11 |
| Pending as on March 31, 2022 | 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 March 31, 2022:**

| Sl. No. | Category | As on March 31, 2022 | |
|---|---|---|---|
| | | Number of Shares | Percentage |
| **1** | **Promoters / Promoter's Group** | 5,30,08,514 | 58.81 |
| **2** | **Institutional investors** | | |
| A) | Mutual Funds | 4,03,811 | 0.45 |
| B) | Banks, Financial Institutions and Insurance Companies | 18,01,062 | 2.00 |
| C) | FIIs | 66,14,622 | 7.34 |
| **3** | **Others** | | |
| A) | Bodies Corporate | 50,33,742 | 5.58 |
| B) | Indian Public | 1,99,72,276 | 22.16 |
| C) | NRI's | 10,89,952 | 1.21 |
| D) | Others | 22,08,030 | 2.45 |
| | **Total** | **9,01,32,009** | **100.00** |

**Table 5: Pattern of Shareholding by Share Class as on March 31, 2022:**

| Shareholding Class | Number of Shareholders | % of Total Shareholders | Number of Shares held | Shareholding % |
|---|---|---|---|---|
| **1 to 500** | 58933 | 90.16 | 5117110 | 5.68 |
| **501 to 1000** | 3143 | 4.81 | 2505003 | 2.78 |
| **1001 to 2000** | 1557 | 2.38 | 2369416 | 2.63 |
| **2001 to 3000** | 573 | 0.88 | 1482764 | 1.64 |
| **3001 to 4000** | 275 | 0.42 | 993232 | 1.10 |
| **4001 to 5000** | 226 | 0.35 | 1070183 | 1.19 |
| **5001 to 10000** | 336 | 0.51 | 2464797 | 2.73 |
| **10001 and above** | 322 | 0.49 | 74129504 | 82.25 |
| **TOTAL** | **65365** | **100.00** | **90132009** | **100.00** |

## Store Locations

The Company was operating 154 stores till March 31, 2022. The location of these stores can be checked at the website of the Company www.spencersretail.com

## Transfer of Unclaimed Dividend and Shares to Investor Education and Protection Fund (IEPF)

The Company was incorporated on February 8, 2017 and since the Company has not yet completed 7 years of its incorporation, none of the IEPF provisions are applicable to the Company.

## Unclaimed Shares

In terms of the SEBI Listing Regulations, 2015, the Company opened separate Unclaimed 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 the Company's Unclaimed Suspense Account is given below:

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

## CERIFICATE FROM PRACTICING COMPANY SECRETARY ON NON-DISQUALIFICATION OF DIRECTORS

A Certificate from Practicing Company Secretary that, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the Board/Ministry of Corporate Affairs or any such Statutory Authority is annexed as **"ANNEXURE-1".**

For and on behalf of the Board of Directors

**Dr. Sanjiv Goenka**
Chairman
(DIN : 00074796)

Kolkata, May 12, 2022

## DECLARATION

As required under the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is confirmed that all Directors and Senior Management Officers have affirmed compliance of the Code of Conduct and Business ethics during the year 2021-22.

**Devendra Chawla**
CEO & Managing Director
(DIN: 03586196)

Kolkata, May 12, 2022

**ANNEXURE – 1**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) as amended.*

To,
The Members
**SPENCER'S RETAIL LIMITED**
Duncan House,
31, Netaji Subhas Road,
Kolkata - 700001, West Bengal

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SPENCER'S RETAIL LIMITED** having **CIN: L74999WB2017PLC219355** and having registered office **Duncan House, 31, Netaji Subhas Road, Kolkata, WB 700001** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015, as amended.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers (including by way of remote audit), we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and, Ministry of Corporate Affairs under the Companies Act, 2013.

| Sr. No. | Name of Director | DIN | Date of appointment in the Company |
|---|---|---|---|
| 1 | Dr. Sanjiv Goenka | 00074796 | 14/11/2018 |
| 2 | Mr. Shashwat Goenka | 03486121 | 14/11/2018 |
| 3 | Mr. Debanjan Mandal | 00469622 | 11/02/2019 |
| 4 | Mr. Pratip Chaudhuri | 00915201 | 14/11/2018 |
| 5 | Mr. Utsav Parekh | 00027642 | 14/11/2018 |
| 6 | Mr. Devendra Chawla | 03586196 | 11/02/2019 |
| 7 | Mr. Rahul Nayak | 06491536 | 14/11/2018 |
| 8 | Ms. Rekha Sethi | 06809515 | 14/11/2018 |

Ensuring the eligibility of the directors for appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency 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.: S1993WB816800
Membership No: .FCS – 896
CP No : 2053
Peer Review No: 718/2020
UDIN: F000896D000276314

Kolkata, May 5, 2022

# Business Responsibility Report

**(Annexure 'D' to Board's Report)**

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') and National Guidelines on Responsible Business Conduct (NGRBC) as issued and revised by Ministry of Corporate Affairs (MCA), Government of India, the "Business Responsibility Report" (BRR) of the Company for the financial year 2021-22 forming part of this Annual Report is as follows:

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

<table>
<tr><td>1.</td><td>Corporate Identity Number (CIN) of the Company</td><td>L74999WB2017PLC219355</td></tr>
<tr><td>2.</td><td>Name of the Company</td><td>Spencer's Retail Limited</td></tr>
<tr><td>3.</td><td>Registered Office Address:<br>Corporate Office Address:</td><td>Duncan House, 31, Netaji Subhas Road, Kolkata- 700001<br>RPSG House, 2/4, Judges Court Road, Kolkata – 700027</td></tr>
<tr><td>4.</td><td>Website</td><td>www.spencersretail.com</td></tr>
<tr><td>5.</td><td>E-mail ID</td><td>spencers.secretarial@rpsg.in</td></tr>
<tr><td>6.</td><td>Financial Year reported</td><td>2021-22</td></tr>
<tr><td>7.</td><td>Sector(s) that the Company is engaged in (industrial activity code-wise)</td><td><table><tr><th>Sl.</th><th>Product</th><th>Industrial Activity Code (NIC Code)</th></tr><tr><td>1.</td><td>Retail</td><td>47</td></tr></table></td></tr>
<tr><td>8.</td><td>Three key products/services that the Company manufactures/ provides</td><td>➢ Retail</td></tr>
<tr><td>9.</td><td>Total number of locations where business activity is undertaken by the Company:</td><td></td></tr>
<tr><td></td><td>(a) Number of International locations</td><td>NIL</td></tr>
<tr><td></td><td>(b) Number of National locations</td><td>Spencer's Retail Limited (SRL) has its registered and corporate office in Kolkata, West Bengal.<br>Presently, the Registered Office of both the subsidiary companies namely Natures Basket Limited (NBL) & Omnipresent Retail India Private Limited (ORIPL) are situated at Kolkata, West Bengal.<br>It has following stores/distribution centres:<br>Stores 190 (Spencer's 154 and Natures Basket 36)<br>Distribution centres 14 (Spencer's 12 and Natures Basket 2)</td></tr>
<tr><td>10.</td><td>Markets served by the Company<br>Local/State/National/International</td><td>SRL and its subsidiaries operate across India.</td></tr>
</table>

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

| | | |
|---|---|---|
| 1. | Paid up Capital (₹)<br>(As on March 31, 2022) | 50,06,60,045 |
| 2. | Total Income (₹ in Lakhs)<br>(2021-22) | 2,06,710.74 |
| 3. | Total profit/(loss) after taxes (₹ in Lakhs)<br>(2021-22) | (8,456.46) |
| 4. | Total Spending on Corporate Social Responsibility (CSR) as percentage (%) of profit after tax | NIL |
| 5. | List of CSR activities in which expenditure has been incurred:- | NA |

## SECTION C: OTHER DETAILS

| | | |
|---|---|---|
| 1. | Subsidiary Company/Companies | As on March 31, 2022, SRL has two subsidiaries namely:<br>1. Natures Basket Limited<br>2. Omnipresent Retail India Private Limited |
| 2. | Participation of Subsidiary Company/Companies in the Business Responsibility (BR) initiatives of the Parent Company? If yes, then indicate the number of such subsidiary company(s) | NIL |
| 3. | Participation and percentage of participation of other entity/entities (e.g. suppliers and distributors, among others) that the Company does business with, in the BR initiatives of the Company | SRL engages with various stakeholders like suppliers, distributors and other entities in the value chain. The Company encourages adoption of BR initiatives by its business partners as well. Based on discussions with the suppliers and distributors of the Company, currently less than 50% of its stakeholders participate in the BR initiatives of the Company. |

## SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

(b) Details of the BR head

| Sl. | Particulars | Details |
|---|---|---|
| 1 | DIN | 06491536 |
| 2 | Name | Mr. Rahul Nayak |
| 3 | Designation | Whole time Director |
| 4 | Telephone number | 033-2487-1901 |
| 5 | e-mail id | spencers.secretarial@rpsg.in |

2. Principle-wise (as per National Voluntary Guidelines prescribed by MCA) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

**Principle 1 : Ethics, Transparency and Accountability**

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability [P1]

**Principle 2 : Sustainability of Products & Services across Life-cycle**

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle [P2]

**Principle 3 : Employees' Well-being**

Businesses should promote the wellbeing of all employees [P3]

**Principle 4 : Stakeholders' Engagement**

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised [P4]

**Principle 5 : Human Rights**

Businesses should respect and promote human rights [P5]

**Principle 6 : Environmental Protection**

Business should respect, protect, and make efforts to restore the environment [P6]

**Principle 7 : Responsible Policy Advocacy**

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner [P7]

**Principle 8 : Inclusive Growth and Equitable Development**

Businesses should support inclusive growth and equitable development [P8]

**Principle 9 : Customer Value**

Businesses should engage with and provide value to their customers and consumers in a responsible manner [P9]

**Details of compliance**

| Sl. | Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|---|
| a) | Do you have a policy/policies | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| b) | Has the policy being formulated in consultation with the relevant stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| c) | Does the policy conform to any national/ international standards? If yes, specify? (50 words) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| | | The policies has been drafted on the basis of applicable laws, code of conduct & applicable standards | | | | | | | | |
| d) | Has the policy being approved by the Board? Is yes, has it been signed by MD/Owner/CEO/ appropriate Board Director? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| | | Policies mandated under the Companies Act, 2013 (the Act) and the SEBI Listing Regulations are approved by the Board and other policies are approved by the Managing Director/Whole time Director / functional heads of the Company as appropriate from time to time. | | | | | | | | |
| e) | Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| | | The CEO and Managing Director/Whole time Director through the Functional Heads of the Departments/ Store Heads of the Company, overseas the implementation of the policy across the organisation. | | | | | | | | |
| f) | Indicate the link for the policy to be viewed online? | Policies mandated to be displayed on the website of the Company as per the Act and SEBI Listing Regulations are displayed at http://www.spencersretail.com/investor | | | | | | | | |
| g) | Has the policy been formally communicated to all relevant internal and external stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| | | The policies have been communicated to all the internal and external stakeholders. The same is also made available on the Company's website. | | | | | | | | |
| h) | Does the Company have in-house structure to implement the policy/ policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| i) | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| j) | Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | N | N | N | N | N | N | N | N | N |
| | | The BR policies and its implementation are evaluated internally. | | | | | | | | |

| | | |
|---|---|---|
| 3. | Governance related to Business Responsibility | |
| | Frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the Company's BR performance. | The overall BR performance of the Company is assessed annually by the Management/Board of Directors and its Committees, while the varied aspects of BR performance of each department/unit are assessed by the respective department/unit heads on a regular basis. |
| | Publishing of Business Responsibility or a Sustainability Report, its frequency and hyperlink. | This Business Responsibility Report being published by the Company, voluntarily as part of annual report. The report is published annually. The Report can also be accessed on the Company's website at http://www.spencersretail.com/investor |

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: Ethics, Transparency and Accountability

**Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   A Company's governance practices have a direct bearing on its sustainable growth. Ethics and transparency are fundamental pillars which underline our business activities. As a responsible organisation, the Company does its business with utmost integrity and adheres to best governance practices. The Company's Code of Conduct for Directors and Senior Management Executives serves as a guiding tool and ensures that principles get translated into consistent practice, thereby leading the Company towards high standards of business conduct.

   A Whistle Blower Policy/ Vigil Mechanism is also in place which provides a channel to the employees and Directors to report to the management, promptly and directly, concerns about unethical behaviour, actual or suspected fraud or any irregularity in the Company practices or violation of its codes and policies. The Code, policies and standards shows our zero tolerance approach to ethical violations, and communicate our commitment and requirement for legal compliance and ethical good practice.

   To ensure that all employees are well-versed with the Code, a mandatory training is provided for new recruits, and refresher workshops on anti-corruption policies and procedures are conducted for all the employees at various levels.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   The Company has in place different mechanisms for receiving and dealing with complaints from different stakeholder's viz. shareholders, customers, employees etc. There are dedicated resources to respond to the complaints within a time bound manner.

   The Company has Stakeholder Relationship Committee (SRC) which reviews the shareholders complaint and their resolution. During the year ended March 31, 2022, 11 complaints were received from the shareholders and the same were duly resolved and no complaints were pending at the end of the year.

   Further, Customer complaints are addressed in the normal course of business by dedicated Customer Care Department of the Company.

### Principle 2: Sustainability of Products & Services across Life-cycle

**Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   The Company's principle nature of business is to provide everyday use products to end consumers. It is our constant endeavor to ensure that all applicable laws and regulation related environment are adhered to along with periodic internal quality control checks.

   The Company is intended to promote use of natural fiber like cotton to be used by Customers for carrying the goods and the Company is also encouraging the customers to bring their own bag and to reduce the plastic bag usage and reuse the bags.

   The Company strictly Prohibit employment or engagement of child force at work place and expect its vendors to follow the same.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   (a) **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

   We are in the business of retailing goods/products to end consumers through our stores. We strive to optimise use of resources at our new and existing stores. Wherever feasible, all efforts are made to use more natural lights in offices/store premises to optimise the consumption of energy.

**(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Considering the nature of business of the Company the said question is not applicable to the Company.

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company is sourcing fruits and vegetables directly from farmers wherever possible and setup a consolidating centers from where fruits and vegetable are distributed to the Stores.

**4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company is contributing to the society at large by procuring goods & services from small scale industries and small producers including from communities surrounding its place of work.

The Company believes in inclusive growth and encourages local sourcing wherever possible. Local suppliers/ vendors are evaluated based on the quality parameters set by the Company.

We have encouraged MSME vendors and work with them to improve their capabilities & capacity. We have shorter payment cycle for MSME vendors. We provide early payment facility so that they are able to manage their finance without any difficulties.

**5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The Company is not into manufacturing, thus there is not much waste generation in the Company, the waste generated at its offices and stores are managed as per the applicable laws & internal waste disposal process and also sent to recycle purpose to the authorised recyclers.

## Principle 3: Employees' Well-being

### Businesses should promote the well-being of all employees

Our employees contribute significantly to success of our business. We conduct training sessions for all of our employees to upgrade their knowledge and skills from time to time. The Company has been recognised again 3rd year in a row as a 'Great Place to Work' by the Great Place to Work Institute which is considered as the gold standard for defining great workplaces across business, academia and government organisations.

Further, we employ a diverse workforce where women employees, employees from various economic strata and demographic backgrounds come together and earn a respectable living. We also provide a fair opportunity for them to work as per laid down procedures and we contribute towards them to develop skills and grow. We provide them with all social benefits mandated as per law and also take an extra care to ensure staffs is adequately covered for various health and safety hazards. We provide staff with Medical insurance, accident cover and Death insurance cover. We ensure that employees have safe, clean and hygienic work conditions. We ensure that the staff are well provided work environment where they are free to express their views and feel empowered to positively contribute. We have suggestions schemes, grievance handling mechanism and whistle blower policies along with employee engagement framework where we reach out to employee and hear from them on various matters of work life.

**Information with reference to BRR framework:**

| | | |
|---|---|---|
| 1 | Total number of permanent employees | 4882 (out of which 1078 are woman employees) |
| 2 | Total number of employees hired on temporary/ contractual/casual basis. | 2026 |
| 3 | Number of women employees (permanent plus contractual) | 1402 |
| 4 | Number of permanent employees with disabilities | 13 |
| 5 | Employee associations recognised by the management. | The Company does not have any recognised employee association. |

| | | |
|---|---|---|
| 6 | Percentage of permanent employees who are members of recognised employee association. | NA |
| 7 | Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year. | See table below. The Company has also constituted an Internal Complaints Committee where employees can register their complaints against sexual harassment. |
| 8 | Percentage of under mentioned employees who were given safety & skill up-gradation training in the last year? | See table below |

| Category | No. of complaints filed during the financial year | No. of complaints pending as on end of the financial year |
|---|---|---|
| Child labour/forced labour/involuntary labour | Nil | Nil |
| Sexual harassment | Nil | Nil |
| Discriminatory employment | Nil | Nil |

| | |
|---|---|
| Permanent Employees | 100% |
| Permanent Women Employees | 100% |
| Casual/ Temporary/Contractual Employees | 100% |
| Employees with disabilities | 100% |

**Principle 4: Stakeholders' Engagement**

**Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised**

1. Has the Company mapped its internal and external stakeholders- Yes
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders? Yes
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.

   The Company recognises the vital role played by the Society at large in its growth and development. Further we have not undertaken any CSR activities as the same is not applicable to the Company.

**Principle 5: Human Rights**

**Businesses should respect and promote human rights**

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

   The Company upholds the spirit of human rights and adheres to the applicable laws and regulations and has framed a policy on human rights, which is a guidance document for its Employees and Group Company.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   The Company has not received any complaints relating to human rights during the Financial Year 2021-22.

**Principle 6: Environment**

**Business should respect, protect, and make efforts to restore the environment**

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/others.**

   The Company's Environmental, health & safety policy extends to all Stores, employees and Group Company.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   The Company has taken some energy initiatives such as:

   - Installation of LED lights & power saving equipment across the stores to reduce the electricity consumption.
   - Optimum use of air conditioner (AC) at the stores in order to reduce the electricity consumption.
   - The Company installed solar roof tops in some of the stores with a capacity of 400kW, and also wanted to implement the same for some more stores. Automation of processes to reduce the use of paper.
   - Installation of glass doors, walls and windows at the stores to use the daylight and reduce electricity consumption.
   - Encouraging the customers to bring their own bags hence lesser use of plastic carry bags at the stores.
   - The Company is intended to promote the use of natural fiber like cotton etc.

3. **Does the Company identify and assess potential environmental risks?**

   We have performed risk assessment to identify these risks, owing to the nature of the business involved, no significant aforementioned potential risk is foreseen as of now.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   We do not have any projects registered under Clean Development Mechanism.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   The initiatives taken by the Company towards energy conservation during the year under review are given in the Board Report.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Not applicable, since the Company is in retailing business, hence providing the consumers its everyday use of products.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   There are no show cause/ legal notices received from CPCB / SPCB as on end of Financial Year 2021-22.

**Principle 7: Responsible Policy Advocacy**

**Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   The Company generally conveys its policy positions through its membership with Retailers Association of India (RAI) & Confederation of Indian Industries (CII).

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   The Company's engagement and advocacy with the relevant authority in a transparent manner complying all applicable laws and regulations. The Company has been actively participating in various seminars, conferences and other forums on issues and policy matters that impact the interest of its stakeholders.

**Principle 8: Inclusive Growth and Equitable Development**

**Businesses should support inclusive growth and equitable development**

1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof - No
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organisation - NA
3. Have you done any impact assessment of your initiative - NA
4. What is your Company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken - NA
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so - NA

**Principle 9: Customer Value**

**Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   Customer Satisfaction is of utmost important for the Company. The Company has a dedicated customer care representative/cell to handle the day to day complaints of the customers. Once the complaints received from the customer then it will be redressed within the legal means and sometimes complaints will be filed on the manufacture and the Company is added as a proforma party, around 11 cases are pending. In terms of percentage of consumers to consumer cases it is less than 0.1%.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**

   The requisite information as mandated as per the local laws is mentioned on all the product labels of the Company.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   There are no cases pending in relation to unfair trade practices, irresponsible advertising and/or anti-competitive behavior. There are a few consumer product complaints pending in the normal course of business, which the Company defends appropriately.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   Yes, the Company regularly conducts consumer surveys.

For and on behalf of the Board of Directors

**Dr. Sanjiv Goenka**
Chairman
(DIN: 00074796)

Kolkata, May 12, 2022

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED – March 31, 2022

*[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]*

**(Annexure 'E' to the Board's Report)**

To,
The Members,
**Spencer's Retail Limited**
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 Notes issued by the Institute of Company Secretaries of India (A statutory body constituted under the Company Secretaries Act, 1980) read with Company Secretaries Auditing Standards (CSAS) 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 and process to ensure the 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 with the statutory authorities 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 authorised representatives during the conduct of secretarial audit, including by way of remote 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 March 31, 2022 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 with the statutory authorities and other records maintained by **SPENCER'S RETAIL LIMITED** "the Company" for the financial year ended on March 31, 2022 according to the applicable provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time
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 review.**
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:
    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;

Form No. MR-3 (Contd.)

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **No event reported during the year;**

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;

e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **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 authorised 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.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable to it including the following observations:

1. No amount was required to be spent by the Company on CSR during the year as the Company had negative average profit during the last three year under review. However, the Company has constituted a CSR committee as required under law.

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 period under review were carried out in compliance with the provisions of the Act.
2. Adequate notices were 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 meetings for meaningful participation at the meeting.
3. Majority decisions were carried through while the dissenting members' views, if any, were 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, the Company has had the following specific events / updates:

1) During the year under review the Company created/modified following charges on its assets:-

| Sl. No. | Charge Id No. | SRN | Name of the banker | Date of creation of charge | Date of charge/ modification certificate | Date of modification of charge | Amount of charge |
|---|---|---|---|---|---|---|---|
| 1. | 100473126 | T40056913 | Yes Bank Limited | 27.08.2021 | 01.09.2021 | -- | 75 Crores |
| 2. | 100473172 | T40074825 | Yes Bank Limited | 27.08.2021 | 02.09.2021 | -- | 50 Crores |
| 3. | 100271651 | T42044057 | RBL Bank Limited | 02.07.2019 | 10.09.2021 | 09.09.2021 | 10 Crores |

2) The provisions of IEPF Rules are not applicable to the Company as it has not yet completed seven years of its incorporation. However, the Company has complied with the Rules to the extent applicable to it.

3) The Company has re-appointed Mr. Devendra Chawla as its CEO & Managing Director and Mr. Rahul Nayak as a Whole Time Director with effect from February 11, 2022 and November 14, 2021 respectively.

4) Mr. Neelesh Bothra was appointed as the Chief Financial Officer (CFO) of the Company with effect from February 9, 2022 in place of Mr. Kumar Tanmay.

5) In this certificate, we have not taken into consideration the events which are already in public domain and also not those events which have not come to our knowledge while conducting this audit.

6) The Company has taken the Insurance cover under Directors & Officers (D&O) liability policy.

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 representations 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)**
Proprietor

S. M. GUPTA & CO.
Company Secretaries
Firm Registration No.: S1993WB816800
Membership No: FCS – 896
CP No.: 2053
Peer Review No: 718/2020
UDIN: F000896D000308051

Kolkata, May 12, 2022
Encl.: Annexure 'A' forming an integral part of this Report

**"Annexure A"**

To,
The Members,
**Spencer's Retail Limited**
(CIN: L74999WB2017PLC219355)
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.

   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)**
Proprietor

S. M. GUPTA & CO.
Company Secretaries
Firm Registration No.: S1993WB816800
Membership No: FCS – 896
CP No.: 2053
Peer Review No: 718/2020
UDIN: F000896D000308051

Kolkata, May 12, 2022

## FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

## FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

*[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]*

**(Annexure 'E1' to Board's Report)**

**To,**
**The Members**
**Natures Basket Limited**
CIN: U15310WB2008PLC244411
Duncan House,
31, Netaji Subhas Road,
Kolkata - 700001, West Bengal

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Natures Basket Limited** (hereinafter referred to as 'the Company') having CIN No – U15310WB2008PLC244411. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **March 31, 2022**, complied with the 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 the Company for the financial year ended on **March 31, 2022** and made available to us, according to the provisions of:

(1) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under.

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;

(v) Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') **(Not applicable, since unlisted company)**

(vi) The Following are the various Laws applicable to the Company. According to the information/details/explanation provided to us, the Company has complied with the provisions of the said Acts and the Company has a mechanism to monitor the compliances of the said laws, to the extent applicable

- The Food, Safety & Standard Act, 2006
- The Payment of Wages Act, 1936
- The Minimum Wages Act, 1948
- Employees Provident Fund and Misc. Provisions Act, 1952
- Employees State Insurance Act, 1948
- The Payment of Bonus Act, 1965
- The Environment (Protection) Act, 1986
- Income Tax Act 1961, Wealth Tax Act, Goods and Services Tax Act 2016 and rules made thereof
- Negotiable Instrument Act, 1881

- Maternity Benefits Act, 1961
- Payment of Gratuity Act, 1972
- The Industrial Disputes Act, 1947
- The Child Labour (Regulation and Abolition) Act, 1970
- The Weekly Holidays Act, 1942

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

(a) Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting;

We report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof as produce before us on test-check basis, the Company has complied with the provision of the Act, Rules, Regulations, Guidelines, Standard, etc., as applicable to the Company.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

In compliance with applicable provisions of the Companies Act, 2013 and rules made there under and Secretarial Standards issued by the Institute of Company Secretaries of India, adequate notice(s) were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately 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.

Majority decision is carried through while the dissenting members' views, if any, were captured and recorded as part of the minutes.

The Company has complied with all the applicable provisions of Companies Act, 2013, but there were few instances of delay in filing of forms with the Ministry of Corporate Affairs which were regularised by payment of late filing fee.

We further report that there are adequate systems and processes in the Company commensurate with the size and operation of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. We have relied on the information and representation made by the Company and its Officers for Systems and mechanism formed by the Company for Compliances under applicable Acts, Laws, and regulations to the Company.

We further report that during the period under review there is no specific event/action having major bearing on the company's affairs takes place.

For PVK & Associates

**Pankaj Kumar**
Proprietor
CoP No.:20994

Indrapuram (UP), May 12, 2022
UDIN: A012288D000310388

***Note:*** *This report is to be read with our letter of even date by the Secretarial Auditor, which is annexed as **'ANNEXURE A'** and forms an integral part of this report, which is available on the website of the Company.*

## 'ANNEXURE A'

**To,**
**The Members**
**Natures Basket Limited**
CIN: U15310WB2008PLC244411
Duncan House,
31, Netaji Subhas Road,
Kolkata - 700001, West Bengal

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. 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 financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For PVK & Associates

**Pankaj Kumar**
Proprietor
CoP No.:20994

Indrapuram (UP), May 12, 2022

UDIN: A012288D000310388

# Report on Corporate Social Responsibility Activities

**(Annexure 'F' to the Board's Report)**

1. Brief outline on Corporate Social Responsibility (CSR) policy of the Company

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

2. Composition of CSR Committee:

| SL. No | Name of the Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1 | Dr. Sanjiv Goenka | Chairman and Non-Executive Director | 1 | 1 |
| 2 | Mr. Shashwat Goenka | Member and Non-Executive Director | 1 | 1 |
| 3 | Mr. Utsav Parekh | Member and Non-Executive Independent Director | 1 | 1 |

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

   The Company's revised CSR Policy and details of CSR Committee are posted at www.spencersretail.com.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): **Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **Not Applicable**

6. Average net profit of the Company as per section 135(5): **Not Applicable**

7. (a) Total amount of average net profit of the Company as per Section 135(5): **Not Applicable**

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Not Applicable**

   (c) Amount required to be set off for the financial year, if any: **Not Applicable**

   (d) Total CSR obligation for the financial year (7a+7b+7c): **Not Applicable**

8. (a) CSR amount spent or unspent for the financial year : **Not Applicable**

   (b) Details of CSR amount spent against ongoing projects for the financial year: **Not Applicable**

   (c) Details of CSR amount spent against other than ongoing projects for the financial year: **Not Applicable**

   (d) Amount spent in Administrative Overheads: **Not Applicable**

- (e) Amount spent on Impact Assessment, if applicable: **Not Applicable**
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Not Applicable**
- (g) Excess amount for set off, if any: **Not Applicable**

9. (a) Details of Unspent CSR amount for the preceding three financial years: **Not Applicable**

   (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **Not Applicable**

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5).

    No amount was required to be spent by the Company on CSR during the year as the Company had incurred losses in past.

**Dr. Sanjiv Goenka**
Chairman
DIN: 00074796

Kolkata, May 12, 2022

**Devendra Chawla**
CEO and Managing Director
DIN: 03586196

# Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo

**(Annexure 'G' to the Board's Report)**

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of 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, wherever possible. |
| ii. | The steps taken by the company for utilising alternate sources of energy | All efforts are made to use more natural lights in offices/ stores premises to optimise the consumption of energy.<br>The Company is also using solar panel at some of its stores. |
| 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)<br>(a) the details of technology imported;<br>(b) the year of import;<br>(c) whether the technology been fully absorbed;<br>(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) 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.

## (D) Foreign Exchange Earnings and Outgo:

There has been no foreign exchange earnings during the year. However, foreign exchange outgo was to the tune of ₹ 7.23 Lakhs.

For and behalf of the Board of Directors

**Dr. Sanjiv Goenka**
Chairman
(DIN 00074796)

Kolkata, May 12, 2022

# Particulars of Remuneration

**(Annexure 'H' to the Board's 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

The ratio of the remuneration (including sitting fees) of the Directors, Dr. Sanjiv Goenka, Mr. Shashwat Goenka, Mr. Utsav Parekh, Mr. Pratip Chaudhari, 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 2021-22 is 5.67:1, 6.73:1, 8.15:1, 3.90:1, 3.19:1, 4.61:1, 566.19:1 and 120.78:1. The percentage increase in remuneration of each director is 0%, -14%, -4%, -21%, 0%, -19%, -17.6% and -0.2% respectively. The increase in remuneration of Chief Financial Officer (CFO) is not applicable, since the current CFO has been appointed during the financial year 2021-22. The percentage increase in remuneration of Company Secretary is 6%.

During the said financial year, there was an increase of 3.33% in the median remuneration of employees on the rolls as at March 31, 2022. There were 4,882 permanent employees on the rolls of Company as on March 31, 2022.

1) During the financial year 2021-22, the average increase in the remuneration was 3.80%.
2) The average % increase in the salaries of the employees on roll as at March 31, 2022 other than the managerial personnel was 3.80 % in 2021-22, whereas there is no increase in the managerial remuneration for the same financial year.
3) 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

**Dr. Sanjiv Goenka**
Chairman
(DIN 00074796)

Kolkata, May 12, 2022

# Independent Auditor's Report

To the Members of
**Spencer's Retail Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Spencer's Retail Limited ("the Company"), which comprise the Balance sheet as at March 31 2022, 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 standalone 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 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, 2022, its loss including other comprehensive loss, 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 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 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 financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone 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 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 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 financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Impairment Testing for Brand (as described in Note 4 of the standalone financial statements)** | |
| The Company has an acquired brand (intangible asset) as at March 31, 2022 assessed to be with an indefinite life. As required by Ind AS 36 "Impairment of Assets", such brand is tested for impairment every year as stated in the accounting policy note no 2.2(e) of the standalone financial statements.<br>For this assessment, the Company engages a valuer to determine the recoverable value of the brand using valuation techniques, which is sensitive to changes in inputs used in valuation and involves judgment due to inherent uncertainty in the assumptions related to discount rate, future growth rate and future royalty rates.<br>Accordingly, impairment testing for the brand is determined to be a key audit matter in our audit of the standalone financial statements. | Our audit procedures included, among others the following<br>• We read and assessed the Company's accounting policies with respect to impairment testing.<br>• We obtained and reviewed the impairment testing report for brand prepared by the Company's independent valuation specialist and also assessed the valuation specialist's objectivity and independence.<br>• We evaluated the independent valuation specialist's methodology, assumptions and estimates used in the calculations. In performing these procedures, we also engaged valuation specialists.<br>• We assessed management's sensitivity analysis around the key assumptions.<br>• We assessed the disclosures made in the standalone financial statements. |
| **Fair Valuation of Investment in Subsidiaries (as described in Note 6 of the standalone financial statements)** | |
| The Company carries its investment in subsidiaries at fair value through Other Comprehensive Income (FVTOCI).<br>The Company engages a valuer to determine the fair value of such investment using the discounted cash flow method of valuation, which is sensitive to changes in inputs used in valuation and involves judgment due to inherent uncertainty in the assumptions used for forecasting the future cash flows.<br>Accordingly, the fair valuation of investment in subsidiary companies is determined to be a key audit matter in our audit of the standalone financial statements. | Our audit procedures included, among others the following:<br>• We obtained and reviewed the fair valuation reports prepared by the Company's independent valuation specialist and also assessed the valuation specialist's objectivity and independence.<br>• We evaluated the independent valuation specialist's methodology, assumptions and estimates used in the calculations. In performing these procedures, we also engaged valuation specialists.<br>• We assessed the disclosures made in the standalone financial statements. |

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 Directors Report, Management Discussion and Analysis, Report on Corporate Governance, Additional Shareholder Information, Report on Corporate Social Responsibility Activities and Statement containing salient features of the financial statements of subsidiaries, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 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 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 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 judgments 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 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 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 with reference to financial statements 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 financial statements, including the disclosures, and whether the standalone 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 financial statements for the financial year ended March 31, 2022 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, 2020 ("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 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to these standalone 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, 2022 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 financial statements – Refer Note 29(a) to the standalone financial statements;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 43 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether

recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 43 to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

**per Kamal Agarwal**
Partner
Membership Number: 058652
UDIN: 22058652AIVGGZ4798

Place of Signature: Kolkata
Date: May 12, 2022

# Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Spencer's Retail Limited ("the Company")

**In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:**

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(i) (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.

(i) (b) All the Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(i) (c) As represented to us by the management, there is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(i) (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

(i) (e) As represented to us by the management, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed.

(ii) (b) As disclosed in note 14 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year based on the security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(iii) (b) During the year the Company has not provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. The investments made and the terms and conditions of the investments are not prejudicial to the Company's interest.

(iii) (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(iii) (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(iii) (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date (Contd.)

(iii) (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) As represented to us by the management, the Company has not advanced loans to directors / to a Company in which the director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon. Provisions of section 186 of the Companies Act 2013 in respect of investments made have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) As represented to us by the management, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii) (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

| Name of the Stature | Nature | Disputed Amount (₹. In lakhs) | Period | Forum where the dispute is pending |
|---|---|---:|---|---|
| Maharashtra Value Added Tax Act, 2002 | Mismatch & Disallowance of Input Tax Credit | 204.52 | 2009-10 & 2013-14 | Jt.Comm. of Sales Tax (Appeal) |
| West Bengal Sales Tax Act,1994 | Demand on disputed stock transfer | 29.57 | 2003-04 | WBCT Appellate & Revisional Board |
| Tamil Nadu General Sales Tax Act, 1959 | Tax demand on first point sales | 25.32 | 2001-02 | Appellate DC |
| Delhi Value Added Tax Act, 2004 | Disallowance of input tax credit | 4.32 | 2012-13 | DC Appeals |
| Jharkhand Value Added Tax Act, 2005 | Disallowance of input tax credit | 1.61 | 2009-10 | Commissioner of Commercial Taxes |
| Tamil Nadu GST Act, 2017 | Demand Raised against excess Input Tax Credit claimed for the period Nov-17 | 1.17 | 2017-18 | Commissioner (Appeals) |
| Andhra Pradesh General Sales Tax Act, 1957 | Demand on single point tax | 0.74 | 2003-04 | AP State Appellate Authorities |

(viii) As represented to us by the management, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(ix) (b) As represented to us by the management, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date (Contd.)

(ix) (c) Term loans were applied for the purpose for which the loans were obtained except for idle funds amounting to Rs 1,001.00 lakhs which were not required for immediate utilisation and which have been gainfully invested in highly liquid investments.

(ix) (d) On an overall examination of the financial statements of the Company, the Company has used funds raised on short-term basis aggregating to Rs. 27,999.96 lakhs for long-term purposes.

(ix) (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(ix) (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(x) (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) As represented to us by the management, no fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.

(xi) (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(xi) (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) & (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(xiv) (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(xvi) (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(xvi) (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvi) (d) As represented to us by the management, the Group has 5 Core Investment Companies as a part of the Group.

(xvii) The Company has not incurred cash losses in the current financial year. However, In the immediately preceding financial year, the Company has incurred cash losses amounting to Rs. 2,176.19 lakhs.

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date (Contd.)

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 42 to the financial statements, the ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions and considering that the Company has access to unutilized credit lines with its bankers and also additional capital from its promoters and option to liquidate its other investments, if and when required, nothing has come to our attention, which causes us to believe that Company is not capable of meeting its liabilities, existing at the date of balance sheet, as and when they fall due within a period of one year from the balance sheet date.

We, further state that this is not an assurance as to the future viability of the Company and our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company is not required to spend any amount towards Corporate Social Responsibility under sub section 5 of section 135 of the Companies Act (the Act) as the Company has average losses during the three immediately preceding financial years. Accordingly, the requirement to report on clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

**per Kamal Agarwal**
Partner
Membership Number: 058652
UDIN: 22058652AIVGGZ4798

Place of Signature: Kolkata
Date: May 12, 2022

# Annexure '2' To The Independent Auditor's Report Of Even Date On The Standalone Financial Statements Of Spencer's Retail Limited

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to standalone financial statements of Spencer's Retail Limited ("the Company") as of March 31, 2022 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 ("ICAI"). 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 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls 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 Company's internal financial controls with reference to these standalone financial statements.

## Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to 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 controls with reference to 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.

Annexure '2' To The Independent Auditor's Report Of Even Date On The Standalone Financial Statements Of Spencer's Retail Limited (Contd.)

## Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to 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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, 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 issued by the ICAI.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

**per Kamal Agarwal**
Partner
Membership Number: 058652
UDIN: 22058652AIVGGZ4798

Place of Signature: Kolkata
Date: May 12, 2022

# Standalone Balance Sheet

as at March 31, 2022

₹ in Lakhs

| Particulars | Notes | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 13,199.83 | 14,688.24 |
| Capital work in progress | 3 | 580.13 | 178.93 |
| Right-of-use assets | 30 | 43,733.16 | 44,744.43 |
| Other intangible assets | 4 | 9,097.70 | 9,235.92 |
| Financial assets | | | |
| (i) Investments | 6 | 45,706.04 | 35,327.05 |
| (ii) Other financial assets | 10 | 4,091.01 | 4,456.51 |
| Tax assets (net) | | 1,764.37 | 1,941.82 |
| Other assets | 11 | 111.18 | 334.94 |
| **Total non-current assets (A)** | | **1,18,283.42** | **1,10,907.84** |
| **Current assets** | | | |
| Inventories | 5 | 22,899.96 | 23,581.67 |
| Financial assets | | | |
| (i) Investments | 6 | 2,077.68 | - |
| (ii) Trade receivables | 7 | 2,617.13 | 3,145.53 |
| (iii) Cash and cash equivalents | 8 | 1,374.98 | 5,271.80 |
| (iv) Bank balances other than cash and cash equivalents | 9 | 114.70 | 76.00 |
| (v) Other financial assets | 10 | 106.41 | 154.87 |
| Other assets | 11 | 2,247.53 | 1,968.09 |
| **Total current assets (B)** | | **31,438.39** | **34,197.96** |
| **TOTAL ASSETS (A+B)** | | **1,49,721.81** | **1,45,105.80** |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Equity share capital | 12 | 4,506.60 | 4,506.60 |
| Other equity | 13 | 21,190.87 | 29,948.29 |
| **Total equity (C)** | | **25,697.47** | **34,454.89** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 14 | 9,289.73 | 2,706.21 |
| (ii) Lease liabilities | 30 | 51,522.66 | 52,214.13 |
| (iii) Other financial liabilities | 15 | 114.26 | 103.87 |
| Provisions | 19 | 1,392.67 | 1,141.45 |
| **Total non-current liabilities (D)** | | **62,319.32** | **56,165.66** |
| **Current liabilities** | | | |
| Contract liabilities | 16 | 1,175.12 | 900.64 |
| Financial liabilities | | | |
| (i) Borrowings | 14 | 20,031.80 | 14,482.16 |
| (ii) Lease liabilities | 30 | 7,005.87 | 7,120.65 |
| (iii) Trade payables | 17 | | |
| - Total outstanding dues of micro enterprises and small enterprises | | 73.42 | 62.07 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 29,129.69 | 27,282.07 |
| (iv) Other financial liabilities | 15 | 2,696.83 | 2,532.36 |
| Other current liabilities | 18 | 862.43 | 859.82 |
| Provisions | 19 | 729.86 | 1,245.48 |
| **Total current liabilities (E)** | | **61,705.02** | **54,485.25** |
| **TOTAL EQUITY AND LIABILITIES (C+D+E)** | | **1,49,721.81** | **1,45,105.80** |

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 S.R. Batliboi & Co. LLP**
Chartered Accountants
Firm registration number - 301003E/E300005

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

**Kamal Agarwal**
Partner
Membership number - 058652

**Devendra Chawla**
Chief Executive Officer and Managing Director
DIN: 03586196
Place : Kolkata

**Shashwat Goenka**
Director
DIN: 03486121
Place : Kolkata

**Sanjiv Goenka**
Chairman
DIN: 00074796
Place : Kolkata

**Rahul Nayak**
Whole-time Director
DIN: 06491536
Place : Kolkata

**Rama Kant**
Company Secretary
Place : Kolkata

**Neelesh Bothra**
Chief Financial Officer
Place : Kolkata

Place : Kolkata
Date : May 12, 2022

Date : May 12, 2022

# Standalone Statement of Profit and Loss

for the year ended March 31, 2022

₹ in Lakhs

| Particulars | Notes | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 20 | 199,961.79 | 206,895.21 |
| Other income | 21 | 6,748.95 | 4,718.00 |
| **Total Income (I)** | | **2,06,710.74** | **2,11,613.21** |
| **Expenses** | | | |
| Cost of raw materials consumed | 22 | 676.41 | 712.59 |
| Purchases of stock-in-trade | | 159,700.61 | 166,825.84 |
| Changes in inventories of finished goods and stock-in-trade | 23 | 696.63 | (489.36) |
| Employee benefits expense | 24 | 15,210.71 | 15,835.20 |
| Other expenses | 25 | 21,928.97 | 24,018.86 |
| **Total Expenses (II)** | | **1,98,213.33** | **2,06,903.13** |
| **Earnings before interest expenses, tax, depreciation and amortisation (EBITDA) [(I)-(II)]** | | **8,497.41** | **4,710.08** |
| Depreciation and amortisation expense | 26 | 9,353.05 | 10,616.93 |
| Finance costs | 27 | 7,600.82 | 6,886.27 |
| **Loss before tax (III)** | | **(8,456.46)** | **(12,793.12)** |
| **Tax expense** | | | |
| Current and deferred tax | 33 | - | - |
| **Loss for the year (IV)** | | **(8,456.46)** | **(12,793.12)** |
| **Other comprehensive income** | | | |
| **Items that will not be reclassified subsequently to Statement of profit and loss (net of taxes)** | | | |
| Remeasurement of defined benefit plans (net of taxes) | 35 | (315.90) | (66.56) |
| **Other comprehensive income for the year (V)** | | **(315.90)** | **(66.56)** |
| **Total comprehensive income for the year [(IV)+(V)]** | | **(8,772.36)** | **(12,859.68)** |
| **Earnings per share - Basic and Diluted** | **28** | **(9.38)** | **(14.81)** |
| [Nominal value per equity share ₹ 5 (March 31, 2021 : ₹ 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 S.R. Batliboi & Co. LLP**
Chartered Accountants
Firm registration number - 301003E/E300005

**Kamal Agarwal**
Partner

Membership number - 058652

Place : Kolkata
Date : May 12, 2022

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

**Devendra Chawla**
Chief Executive Officer and Managing Director
DIN: 03586196
Place : Kolkata

**Shashwat Goenka**
Director
DIN: 03486121
Place : Kolkata

**Sanjiv Goenka**
Chairman
DIN: 00074796
Place : Kolkata

**Rahul Nayak**
Whole-time Director
DIN: 06491536
Place : Kolkata

**Rama Kant**
Company Secretary

Place : Kolkata

**Neelesh Bothra**
Chief Financial Officer

Place : Kolkata

Date : May 12, 2022

# Standalone Statement of Changes in Equity

for the year ended March 31, 2022

## A. EQUITY SHARE CAPITAL

| | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | No. of shares | ₹ in Lakhs | No. of shares | ₹ in Lakhs |
| Balance at the beginning of the year | 9,01,32,009 | 4,506.60 | 7,95,34,226 | 3,976.71 |
| Equity shares allotted pursuant to rights issue (refer note 12(a)) | - | - | 1,05,97,783 | 529.89 |
| Balance at the end of the year | **9,01,32,009** | **4,506.60** | **9,01,32,009** | **4,506.60** |

## B. Other equity

| | Reserves and Surplus | | | | Total |
|---|---|---|---|---|---|
| | Capital reserve | Retained earnings | Securities Premium | Share based payment reserve | |
| | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs |
| **Balance as at April 01, 2021** | **55,965.23** | **(33,232.14)** | **7,196.57** | **18.63** | **29,948.29** |
| Loss for the year | - | (8,456.46) | - | - | (8,456.46) |
| Remeasurement of defined benefit plans | - | (315.90) | - | - | (315.90) |
| Addition on account of Spencer's Employee Stock Option Plan 2019 (ESOP 2019) (refer note 37) | - | - | - | 14.94 | 14.94 |
| **Balance as at March 31, 2022** | **55,965.23** | **(42,004.50)** | **7,196.57** | **33.57** | **21,190.87** |

| | Reserves and Surplus | | | | Total |
|---|---|---|---|---|---|
| | Capital reserve | Retained earnings | Securities Premium | Share based payment reserve | |
| | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs |
| **Balance as at April 01, 2020** | **55,965.23** | **(20,416.91)** | **-** | **-** | **35,548.32** |
| Loss for the year | - | (12,793.12) | - | - | (12,793.12) |
| Remeasurement of defined benefit plans | - | (66.56) | - | - | (66.56) |
| Covid - 19 related rent concessions (refer note 30) | - | 44.45 | - | - | 44.45 |
| Premium on equity shares alloted pursuant to rights issue (refer note 12 (a)) | - | - | 7,418.45 | - | 7,418.45 |
| Expenses incurred on account of equity shares issued on rights basis | - | - | (221.88) | - | (221.88) |
| Addition on account of Spencer's Employee Stock Option Plan 2019 (ESOP 2019) (refer note 37) | - | - | - | 18.63 | 18.63 |
| **Balance as at March 31, 2021** | **55,965.23** | **(33,232.14)** | **7,196.57** | **18.63** | **29,948.29** |

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 S.R. Batliboi & Co. LLP**
Chartered Accountants
Firm registration number - 301003E/E300005

**Kamal Agarwal**
Partner

Membership number - 058652

Place : Kolkata
Date : May 12, 2022

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

**Devendra Chawla**
Chief Executive Officer and Managing Director
DIN: 03586196
Place : Kolkata

**Shashwat Goenka**
Director

DIN: 03486121
Place : Kolkata

**Sanjiv Goenka**
Chairman

DIN: 00074796
Place : Kolkata

**Rahul Nayak**
Whole-time Director
DIN: 06491536
Place : Kolkata

**Rama Kant**
Company Secretary

Place : Kolkata

**Neelesh Bothra**
Chief Financial Officer

Place : Kolkata

Date : May 12, 2022

# Standalone Cash Flow Statement

for the year ended March 31, 2022

| Particulars | For the year ended March 31, 2022 ₹ in Lakhs | For the year ended March 31, 2021 ₹ in Lakhs |
|---|---|---|
| **Operating Activities** | | |
| **Loss before tax** | **(8,456.46)** | **(12,793.12)** |
| Adjustments : | | |
| Depreciation and amortisation expense | 9,353.05 | 10,616.93 |
| Provision / (reversal of provisions) for bad & doubtful debts / bad debts | (9.83) | 2,866.88 |
| Provision for doubtful store lease deposits | 3.13 | 250.41 |
| Interest expense on decommissioning liability | 24.44 | 26.61 |
| Provision for obsolete stocks | 52.80 | 622.22 |
| Interest on non-cumulative non-convertible redeemable preference shares | 10.39 | 9.44 |
| Finance costs | 7,565.99 | 6,850.22 |
| Fair value gain on investments measured at fair value through profit and loss (FVTPL) | (3,789.15) | (1,109.49) |
| Gain on sale of investments | (174.96) | (849.95) |
| Interest income | (361.71) | (511.29) |
| Reversal of net liability on termination of lease | (360.66) | (1,016.78) |
| Loss on sale of property, plant and equipment (net) | 71.63 | - |
| Covid - 19 related rent concessions | (532.94) | (758.59) |
| **Cash from operations before working capital changes** | **3,395.72** | **4,203.49** |
| **Working capital changes:** | | |
| Decrease / (increase) in inventories | 628.91 | (1,140.86) |
| Decrease in trade receivables | 538.23 | 107.01 |
| Decrease in other financial assets | 178.75 | 445.12 |
| Increase in other assets | (274.44) | (247.76) |
| Increase/(Decrease) in trade payables | 1,858.98 | (3,672.51) |
| Increase in financial liabilities | 122.04 | 484.42 |
| Increase/(decrease) in other current liabilities | 2.61 | (206.33) |
| Increase in contract liabilities | 274.48 | 255.76 |
| (Decrease)/ increase in provisions | (589.80) | 77.41 |
| **Cash flow generated from operating activities** | **6,135.48** | **305.75** |
| Income taxes refund/(paid) | 181.92 | (485.68) |
| **Net cash generated from/(used in) operating activities (A)** | **6,317.40** | **(179.93)** |
| **Investing Activities** | | |
| Purchase of property, plant and equipment, including other intangible assets, capital work in progress and capital advances | (1,734.10) | (2,172.55) |
| Proceeds from sale of property, plant and equipment | 75.90 | - |
| Payment towards acquisition of wholly owned subsidiary in a business combination | - | (126.80) |
| Investment in subsidiary companies | (6,570.00) | (3,065.00) |
| Investment in alternative investment fund | (75.00) | - |
| Proceeds from alternative investment fund | 143.64 | 806.94 |
| Purchase of mutual fund units | (12,355.00) | (16,461.00) |
| Proceeds from sale of mutual fund units | 10,363.80 | 16,504.01 |
| Investment in bank deposits | (30.00) | (56,211.00) |
| Redemption / maturity of bank deposits | 324.78 | 55,882.81 |
| Inter corporate deposit given | - | 2,000.00 |
| Inter corporate deposit received back | - | (2,000.00) |
| Interest received | 8.41 | 134.41 |
| **Net cash used in investing activities (B)** | **(9,847.57)** | **(4,708.18)** |

## Standalone Cash Flow Statement
## for the year ended March 31, 2022 (Contd.)

| Particulars | For the year ended March 31, 2022 ₹ in Lakhs | For the year ended March 31, 2021 ₹ in Lakhs |
|---|---|---|
| **Financing Activities** | | |
| Payment of lease liabilities (principal) | (5,014.13) | (4,062.42) |
| Proceeds from issue of shares (net of expenses) | - | 7,726.46 |
| Proceeds from non-current borrowings | 8,850.05 | 1,039.68 |
| Repayment of non-current borrowings | (666.66) | (666.67) |
| Net movement in current borrowings | 3,949.77 | 6,959.10 |
| Interest paid | (7,485.68) | (6,799.45) |
| **Net cash (used in) / generated from financing activities (C)** | **(366.65)** | **4,196.70** |
| **Net decrease in cash and cash equivalents (A+B+C)** | **(3,896.82)** | **(691.41)** |
| Cash and cash equivalents at the beginning of the year | 5,271.80 | 5,963.21 |
| **Cash and cash equivalents at the end of the year** | **1,374.98** | **5,271.80** |
| **Components of cash and cash equivalents :** | | |
| Balance with banks | | |
| - In current accounts | 726.38 | 4,571.36 |
| Balance with credit card, e-wallet companies and others | 368.84 | 388.22 |
| Cash on hand | 279.76 | 312.22 |
| **Total cash and cash equivalents (refer note 8)** | **1,374.98** | **5,271.80** |

### Change in liabilities arising from financing activities :

₹ in Lakhs

| Particulars | As at April 01, 2021 | Cash flows Inflow/(outflow) | Non-cash changes | As at March 31, 2022 |
|---|---|---|---|---|
| Other Financial Liabilities - Preference Shares (refer note 15) | 103.87 | - | 10.39 | 114.26 |
| Non current borrowings (includes current maturities of long term borrowings) | 3,373.01 | 8,183.39 | - | 11,556.40 |
| Current borrowings (excludes current maturities of long term borrowings) | 13,815.36 | 3,949.77 | - | 17,765.13 |
| Lease Liabilities [refer note 30] | 59,334.78 | (5,014.13) | 4,207.88 | 58,528.53 |

₹ in Lakhs

| Particulars | As at April 01, 2020 | Cash flows Inflow/(outflow) | Non-cash changes | As at March 31, 2021 |
|---|---|---|---|---|
| Other Financial Liabilities - Preference Shares (refer note 15) | 94.43 | - | 9.44 | 103.87 |
| Non current borrowings (includes current maturities of long term borrowings) | 3,000.00 | 373.01 | - | 3,373.01 |
| Current borrowings (excludes current maturities of long term borrowings) | 6,856.26 | 6,959.10 | - | 13,815.36 |
| Lease Liabilities [refer note 30] | 54,527.60 | (4,062.42) | 8,869.60 | 59,334.78 |

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 S.R. Batliboi & Co. LLP**
Chartered Accountants
Firm registration number - 301003E/E300005

**Kamal Agarwal**
Partner

Membership number - 058652

Place : Kolkata
Date : May 12, 2022

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

**Devendra Chawla**
Chief Executive Officer and Managing Director
DIN: 03586196
Place : Kolkata

**Shashwat Goenka**
Director
DIN: 03486121
Place : Kolkata

**Sanjiv Goenka**
Chairman
DIN: 00074796
Place : Kolkata

**Rahul Nayak**
Whole-time Director
DIN: 06491536
Place : Kolkata

**Rama Kant**
Company Secretary
Place : Kolkata

**Neelesh Bothra**
Chief Financial Officer
Place : Kolkata

Date : May 12, 2022

# Notes to Standalone financial statements

as at and for the year ended March 31, 2022

## 1. CORPORATE INFORMATION

Spencer's Retail Limited ("the Company") was incorporated as a public limited company under the provisions of the Companies Act, 2013 ("the Act"), pursuant to the certificate of incorporation dated February 08, 2017, 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 December 13, 2018.

The Company is primarily engaged in developing, conducting 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

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Standalone Ind AS financial statements.

Accordingly, the Company has prepared these Standalone financial statements which comprises the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, the Cash Flows statement and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "Standalone financial statements" or "financial statements").

These financial statements have been prepared in accordance with the accounting policies, set out below and were consistently applied to all periods presented unless otherwise stated.

These financial statements of the Company for the year ended March 31, 2022 were approved for issuance in accordance with the resolution passed by the Board of Directors on May 12, 2022.

The Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are effective from April 01, 2021. These amendments require certain regroupings in the Schedule III format of Balance Sheet. The Company has given effect of such regroupings in these standalone financial statements including figures for the corresponding previous year wherein:

a) Current maturities of long term debts has been regrouped from "Other financial liabilities" in the Standalone Financial Statements for FY 2020-21 to "Current Borrowings" in these Standalone Financial Statements.

b) Security Deposits has been regrouped from "Loans" in the Standalone Financial Statements for FY 2020-21 to "Other financial assets" in these Standalone Financial Statements.

### (b) Basis of measurement

The financial statements have been prepared on accrual basis under historical cost convention, except for the following assets and liabilities, which had been measured at fair value as required by the relevant Ind AS:

- Certain Financial Assets and Liabilities (refer accounting policy regarding Financial Instruments);
- Defined Employee Benefit Plans

### (c) Functional and presentation currency

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

### (d) Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the years in which the estimate is revised and future years affected.

The information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as given below:

(i) Useful life and residual value of property, plant and equipment and intangible assets - Note 2.2 (c), (e), 3 & 4

(ii) Determining the fair values of investments - Note 2.2(g) & 6

(iii) Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources - Note 2.2 (j), 19 & 29(a)

(iv) Measurement of defined benefit obligations: key actuarial assumptions - Note 2.2(i) & 35

(v) Impairment of financial assets: key assumptions used in estimating recoverable cash flows - Note 2.2 (g) & 38

(vi) Non recognition of deferred tax assets - Note 2.2 (q) & 33

(vii) Discounting rate and lease term for accounting of Right-of-use assets and lease liabilities under Ind AS 116 - Note 2.2(p) & 30

## 2.2 SIGNIFICANT ACCOUNTING POLICIES

### (a) Current and non-current classification

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

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

### (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 year in which they arise.

### (c) Property, plant and equipment (PPE)

**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 nonrefundable duties and taxes, 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. Trade discounts and rebates are deducted from the purchase price. Expenditure incurred in setting up of stores are capitalised as a part of lease hold improvements.

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.

**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. Expenditure in respect of improvements, etc. carried out at the rented / leased premises are depreciated over the initial period of lease or useful life of assets, whichever is lower. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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 hardware | 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 |

Based on the internal assessment carried out by the in-house technical team, management believes that the residual value and useful lives as given above best represents the period over which management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under part C of schedule II of the Companies Act 2013

**Capital work in progress (CWIP)**

Capital work-in-progress includes cost of property, plant and equipment under installation / under development net off impairment loss, if any, as at the balance sheet date. Directly attributable expenditure incurred on project under implementation are shown under CWIP. At the point when an asset is capable of operating in the manner intended by management, the capital work in progress is transferred to the appropriate category of property, plant and equipment.

### (d) Impairment of non-financial assets

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 recognised 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.

### (e) 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 using straight line method over the period of their expected useful lives. Estimated useful lives of 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 |
| Brand | Indefinite life |

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

### (f) Inventories

Inventories of traded goods, finished goods and packing materials are valued at lower of cost and net realisable value. Cost of inventories comprises costs of purchase 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.

### (g) Financial instruments

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

#### Financial Assets

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through income statement, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost
- Financial assets designated at fair value through OCI (equity instruments)
- Financial assets at fair value through profit or loss (FVTPL)

### Financial assets at amortised cost

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Company's financial assets at amortised cost includes trade receivables, loans and other financial assets.

### Financial assets designated at fair value through OCI (equity instruments)

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its equity investments in subsidiaries under this category.

### Financial assets at fair value through profit or loss (FVTPL):

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes investments in units of mutual funds, alternative investment fund. It also includes equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on equity investments are recognised in the statement of profit and loss when the right of payment has been established.

### Derecognition:

A financial asset is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

### Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

In accordance with Ind AS 109, the Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost.

The Company considers a financial asset in default when contractual payments are due for a period greater than a predefined period as per management policy. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### Financial Liabilities

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. After initial recognition, Interest-bearing loans and borrowings are measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### 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 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.

### Fair value measurement

The Company measures financial instruments, such as, equity share, mutual funds etc. at fair value at each balance sheet date.

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

The management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, etc.

## (h) Cash and cash equivalents

Cash and cash equivalent (including for Statement of Cash Flows) comprise cash at banks, cash on hand and short-term deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

## (i) Employee benefits

### 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.

### 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.

### 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.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

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

**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 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.

**Share-based payment arrangement**

Equity-settled share-based payments to eligible employees of the Company are measured at the fair value of the equity instruments/option at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 37. The fair value determined at the grant date of the equity settled share-based payments to eligible employees of the Company is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity at the end of year. At the end of each year, the Company revisits its estimate of the number of equity instruments expected to vest and recognises any impact in profit or loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share based payment reserve.

The Company has created an Employee Benefit Trust for providing share-based payment to its eligible employees. The Company uses the Trust as a vehicle for distributing shares to eligible employees under the Employee Stock Option Plan, 2019. The Trust buys shares of the Company from the market, for giving shares to eligible employees. The Company treats Trust as separate entity controlled by the Company.

### (j) 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.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

**Decommissioning liability**

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

## (k) 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 that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

## (l) Revenue from operations

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 from sale of goods is recognised on delivery of merchandise to the customer, when the property in the goods is transferred for a price, and significant risks and rewards have been transferred and no effective ownership control is retained. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates, Goods and Services tax (GST) and amounts collected on behalf of third parties.

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. Any amounts received for which the Company does not have any separate performance obligation are considered as a reduction of purchase costs.

The Company has contracts with concessionaire whereby it facilitates in the sale of products of these concessionaires. The inventory of the concessionaire does not pass to the Company till the product is sold. At the time of sale of such inventory, the sales value along with the cost of inventory is disclosed separately as sale of goods and cost of goods sold and forms part of Revenue in the Statement of Profit and Loss, only the net revenue earned i.e. margin is recorded as a part of revenue. Thus, the Company is an agent and records revenue at the net amount that it retains for its agency services.

### Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

### Other operating revenue

Other operating revenue mainly represents recoveries made on account of advertisement for use of space by the customers and other expenses recovered from suppliers. These are recognised and recorded over time or at the point in time based on the arrangements with concerned parties.

## (m) 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.

## (n) Expenses

All expenses are accounted for on accrual basis.

## (o) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

## (p) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements under taken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to its operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

### The Company as a lessee

The Company's lease asset classes primarily consist of leases for store. The Company assesses whether a contract contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) The Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use assets (ROU) and a corresponding lease liability for all lease arrangements, in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and non-lease components (like

maintenance charges, etc.). For these short-term leases and non-lease components, the Company recognises the lease rental payments as an operating expense.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The present value of the expected cost to be incurred on removal of assets at the time of store closure (referred as "Decommissioning liability") is included in the cost of right-of-use assets.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liabilities are initially measured at the present value of the future lease payments. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expense.

The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates for similar term of borrowing as the leases, for the Company. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**Short-term leases**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term lease is recognised as expense on a straight-line basis over the lease term.

**Company as a lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

## (q) Income tax

**Current Tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses 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.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

## (r) 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.

## (s) Compound instrument - non-cumulative non-convertible redeemable preference shares

Non-cumulative non-convertible redeemable preference shares where payment of dividend is discretionary and which are mandatorily redeemable on a specific date, are classified as compound instruments. The fair value of liabilities portion is determined by discounting amount repayable at maturity using market rate of interest. Difference between proceed received and fair value of liability on initial recognition is included in equity, net of tax effects and not measured subsequently. Liability component of non-convertible redeemable preference shares are subsequently measured at amortised cost. The interest on these non-convertible redeemable preference shares are recognised in profit or loss as finance costs.

### (t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

### (u) Borrowing cost

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

### (v) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders of the Company 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 of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### (w) Cash flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### (x) Measurement of EBITDA

The Company has elected to present Earnings (including interest income) before Interest expense, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Statement of Profit and Loss.

### (y) New and amended standards

**Amendments to Ind AS 116: Covid-19-Related Rent Concessions**

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. The amendments are applicable for annual reporting periods beginning on or after April 01, 2021.

MCA issued an amendment to Ind AS 116 Covid-19 related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The Company has applied this amendment to annual reporting periods beginning on or after 1 April 2021 in respect of lease agreements where negotiations have been completed and accounted the unconditional rent concessions as per Note 30.

Amendments and interpretations as outlined below apply for the year ended 31 March, 2022, but do not have an impact on the Standalone Financial Statements.

a. Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

b. Ind AS 103: Business combinations

c. Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

## 3. PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

| | Leasehold improvements | Plant and machineries | Computer hardwares | Vehicles | Furniture and fixtures | Office equipments | Total |
|---|---|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | | | |
| **As at March 31, 2020** | **12,015.52** | **5,647.48** | **2,493.99** | **19.55** | **8,277.31** | **144.95** | **28,598.80** |
| Additions during the year | 1,259.19 | 329.58 | 140.73 | - | 521.61 | 17.63 | 2,268.74 |
| Disposals during the year | 39.62 | - | - | - | 12.00 | - | 51.62 |
| **As at March 31, 2021** | **13,235.09** | **5,977.06** | **2,634.72** | **19.55** | **8,786.92** | **162.58** | **30,815.92** |
| Additions during the year | 735.34 | 110.12 | 106.16 | - | 443.05 | 8.54 | 1,403.21 |
| Disposals during the year | 128.92 | 260.78 | 42.17 | - | 205.40 | 13.74 | 651.01 |
| **As at March 31, 2022** | **13,841.51** | **5,826.40** | **2,698.71** | **19.55** | **9,024.57** | **157.38** | **31,568.12** |
| **Accumulated depreciation** | | | | | | | |
| **As at March 31, 2020** | **4,997.40** | **2,057.89** | **1,701.53** | **19.02** | **4,033.55** | **53.31** | **12,862.70** |
| Depreciation for the year (refer note 26) | 1,640.71 | 592.39 | 281.11 | - | 790.42 | 9.09 | 3,313.72 |
| Disposals for the year | 39.62 | - | - | - | 9.12 | - | 48.74 |
| **As at March 31, 2021** | **6,598.49** | **2,650.28** | **1,982.64** | **19.02** | **4,814.85** | **62.40** | **16,127.68** |
| Depreciation for the year (refer note 26) | 1,247.92 | 566.06 | 196.06 | - | 729.57 | 6.67 | 2,746.28 |
| Disposals for the year | 122.90 | 169.27 | 38.38 | - | 162.07 | 13.05 | 505.67 |
| **As at March 31, 2022** | **7,723.51** | **3,047.07** | **2,140.32** | **19.02** | **5,382.35** | **56.02** | **18,368.29** |
| **Net carrying amount** | | | | | | | |
| **As at March 31, 2022** | **6,118.00** | **2,779.33** | **558.39** | **0.53** | **3,642.22** | **101.36** | **13,199.83** |
| **As at March 31, 2021** | **6,636.60** | **3,326.78** | **652.08** | **0.53** | **3,972.07** | **100.18** | **14,688.24** |

**Note :** Refer note 14 for hypothecation of Property, plant and equipment.

### Capital work in progress (CWIP)

₹ in Lakhs

| | |
|---|---|
| **As at March 31, 2020** | **867.35** |
| Addition during the year | 548.06 |
| Less : Capitalised to Property, plant and equipment and intangible assets during the year | 1,236.48 |
| **As at March 31, 2021** | **178.93** |
| Addition during the year | 661.29 |
| Less : Capitalised to Property, plant and equipment and intangible assets during the year | 260.09 |
| **As at March 31, 2022** | **580.13** |

### CWIP Ageing Schedule

| | 0-1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|
| **As at March 31, 2022** | | | | | |
| Upcoming stores | 554.51 | 17.91 | 7.71 | - | 580.13 |
| | **554.51** | **17.91** | **7.71** | **-** | **580.13** |
| **As at March 31, 2021** | | | | | |
| Upcoming stores | 167.47 | 11.46 | - | - | 178.93 |
| | **167.47** | **11.46** | **-** | **-** | **178.93** |

## 4. OTHER INTANGIBLE ASSETS

₹ in Lakhs

| | Computer softwares | Know-how and licenses | Designs | Brand | Total |
|---|---:|---:|---:|---:|---:|
| **Gross carrying amount** | | | | | |
| **As at March 31, 2020** | **940.17** | **257.82** | **319.68** | **8,625.00** | **10,142.67** |
| Additions during the year | 92.33 | - | 121.12 | - | 213.45 |
| Disposals during the year | - | - | - | - | - |
| **As at March 31, 2021** | **1,032.50** | **257.82** | **440.80** | **8,625.00** | **10,356.12** |
| Additions during the year | 27.52 | - | 83.06 | - | 110.58 |
| Disposals during the year | 5.68 | - | - | - | 5.68 |
| **As at March 31, 2022** | **1,054.34** | **257.82** | **523.86** | **8,625.00** | **10,461.02** |
| **Accumulated amortisation** | | | | | |
| **As at March 31, 2020** | **588.68** | **226.79** | **91.33** | **-** | **906.80** |
| Amortisation for the year (refer note 26) | 84.64 | - | 128.76 | - | 213.40 |
| Disposals for the year | - | - | - | - | - |
| **As at March 31, 2021** | **673.32** | **226.79** | **220.09** | **-** | **1,120.20** |
| Amortisation for the year (refer note 26) | 92.07 | - | 154.53 | - | 246.60 |
| Disposals for the year | 3.48 | - | - | - | 3.48 |
| **As at March 31, 2022** | **761.91** | **226.79** | **374.62** | **-** | **1,363.32** |
| Net carrying amount | | | | | |
| **As at March 31, 2022** | **292.43** | **31.03** | **149.24** | **8,625.00** | **9,097.70** |
| **As at March 31, 2021** | **359.18** | **31.03** | **220.71** | **8,625.00** | **9,235.92** |

Brand has been considered to have an indefinite useful life taking into account that there are no technical, technological, commercial risks of obsolescence or limitations under contract or law.

The Company tests whether brand has suffered any impairment on an annual basis. The recoverable amount has been determined based on value in use for current and previous financial years.

Value in use has been determined based on relief from royalty method using future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions.

Basis the assessment, the management has concluded that no impairment is required in respect of brand.

## 5. INVENTORIES

(at the lower of cost and net realisable value)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---:|---:|
| | ₹ in Lakhs | ₹ in Lakhs |
| Raw materials | 48.11 | 60.76 |
| Finished goods | 46.88 | 51.44 |
| Stock-in-trade | 22,426.21 | 23,118.28 |
| Packing materials | 378.76 | 351.19 |
| | **22,899.96** | **23,581.67** |

Notes to Standalone financial statements
as at and for the year ended March 31, 2022

## 6. INVESTMENTS

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| | ₹ in Lakhs | ₹ in Lakhs |
| **(i) Non-current** | | |
| **Unquoted** | | |
| **Investments in equity instruments** | | |
| **Wholly owned subsidiaries : (At FVTOCI)** | | |
| Natures Basket Limited : 559,380,000 equity shares (March 31, 2021: 502,580,000 equity shares) of ₹ 10 each, fully paid up | 28,919.84 | 23,239.84 |
| Omnipresent Retail India Private Limited : 86,096,569 equity shares (March 31, 2021: 77,196,569 equity shares) of ₹ 10 each, fully paid up | 9,523.58 | 8,633.58 |
| **Others : (at FVTOCI)** | | |
| Retailer's Association of India: 10,000 equity shares (March 31, 2021: 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 I : 1,323.996 units (March 31, 2021: 1307.196 units units) of face value ₹ 100,000 each | 7,261.62 | 3,452.63 |
| | **45,706.04** | **35,327.05** |
| **(ii) Current** | | |
| **Quoted** | | |
| **Investment in mutual fund (at FVTPL)** | | |
| ICICI Prudential Liquid Fund - Direct Plan - Growth: 659,044.69 Units of ₹ 315.26 each (March 31, 2021 : Nil) | 2,077.68 | - |
| | **2,077.68** | **-** |

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| | ₹ in Lakhs | ₹ in Lakhs |
| Aggregate market value of quoted investments | 2,077.68 | - |
| Aggregate value of unquoted investments | 45,706.04 | 35,327.05 |

Refer note 38 for information about fair value measurements and credit and market risk on investments

## 7. TRADE RECEIVABLES

(Unsecured)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| | ₹ in Lakhs | ₹ in Lakhs |
| Considered good | 2,617.13 | 3,145.53 |
| - Significant increase in credit risk | 2,646.11 | 3,389.93 |
| | 5,263.24 | 6,535.46 |
| Impairment allowance: | | |
| - Significant increase in credit risk | (2,646.11) | (3,389.93) |
| | **2,617.13** | **3,145.53** |

## 7. TRADE RECEIVABLES (continued)

**Trade receivables Ageing Schedule**

**As at March 31, 2022**

₹ in Lakhs

| | Current but not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6months -1year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables – considered good | 449.69 | 1,838.11 | - | 322.07 | 0.33 | 6.93 | 2,617.13 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | - | 72.19 | 324.37 | 2,204.31 | 45.24 | 2,646.11 |
| | **449.69** | **1,838.11** | **72.19** | **646.44** | **2,204.64** | **52.17** | **5,263.24** |

**As at March 31, 2021**

₹ in Lakhs

| | Current but not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6months -1year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables – considered good | 244.78 | 2,835.86 | 21.54 | 9.12 | 27.30 | 6.93 | 3,145.53 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | 47.58 | 276.79 | 2,961.60 | 81.55 | 22.41 | 3,389.93 |
| | **244.78** | **2,883.44** | **298.33** | **2,970.72** | **108.85** | **29.34** | **6,535.46** |

Refer note 36 for receivables from related parties.

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

## 8. CASH AND CASH EQUIVALENTS

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| | ₹ in Lakhs | ₹ in Lakhs |
| Balance with banks | | |
| - in current accounts | 726.38 | 4,571.36 |
| Balance with credit card, e-wallet companies and others | 368.84 | 388.22 |
| Cash on hand | 279.76 | 312.22 |
| | **1,374.98** | **5,271.80** |

## 9. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| | ₹ in Lakhs | ₹ in Lakhs |
| Deposits with original maturity of more than 3 months and less than 12 months | 114.70 | 76.00 |
| | **114.70** | **76.00** |

## 10. OTHER FINANCIAL ASSETS

(Unsecured, considered good, unless otherwise stated)

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---:|---:|
| **(i) Non-current** | | |
| Security Deposits | | |
| - Considered good | 3,799.00 | 3,837.39 |
| - Significant increase in credit risk | 51.32 | 80.16 |
| - Credit impaired | 223.21 | 191.24 |
| | 4,073.53 | 4,108.79 |
| Impairment allowance: | | |
| - Significant increase in credit risk | (51.32) | (80.16) |
| - Credit impaired | (223.21) | (191.24) |
| | (274.53) | (271.40) |
| | 3,799.00 | 3,837.39 |
| Margin money deposit * | 174.95 | 508.43 |
| Interest accrued on bank deposits | 15.06 | 8.69 |
| Advance to Spencer's Employee Benefit Trust (ESOP Trust) (refer note 37) | 102.00 | 102.00 |
| | **4,091.01** | **4,456.51** |
| **(ii) Current** | | |
| Interest accrued on bank deposits | 9.61 | 5.26 |
| Advances to employees | 22.65 | 13.37 |
| Other receivables | 74.15 | 136.24 |
| | **106.41** | **154.87** |

* Margin money deposit are encumbered with banks against bank guarantees.

## 11. OTHER ASSETS

(Unsecured and considered good)

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---:|---:|
| **(i) Non-current** | | |
| Capital advances | 91.62 | 310.38 |
| Deposits for claims and tax disputes | 19.56 | 24.56 |
| | **111.18** | **334.94** |
| **(ii) Current** | | |
| Advances for goods and services | 1,093.59 | 844.26 |
| Prepaid expenses | 366.27 | 423.61 |
| Balance with Statutory / Government authorities | 787.67 | 700.22 |
| | **2,247.53** | **1,968.09** |

## 12. EQUITY SHARE CAPITAL

| | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---:|---:|---:|---:|
| | No. of shares | ₹ in Lakhs | No. of shares | ₹ in Lakhs |
| **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 | 9,01,32,009 | 4,506.60 | 9,01,32,009 | 4,506.60 |
| | **9,01,32,009** | **4,506.60** | **9,01,32,009** | **4,506.60** |

* 0.01% non-cumulative non-convertible redeemable preference shares of ₹ 100 each issued are classified as financial liability [refer note 15(i)].

## 12. EQUITY SHARE CAPITAL (continued)

### (a) Reconciliation of the shares outstanding at the beginning and at the end of the year:

| | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | No. of shares | ₹ in Lakhs | No. of shares | ₹ in Lakhs |
| **Equity shares** | | | | |
| At the beginning of the year | 9,01,32,009 | 4,506.60 | 7,95,34,226 | 3,976.71 |
| Equity shares alloted pursuant to rights issue* | - | - | 1,05,97,783 | 529.89 |
| At the end of the year | **9,01,32,009** | **4,506.60** | **9,01,32,009** | **4,506.60** |

*During the previous year ended March 31, 2021, 1,05,97,783 Equity Shares at an issue price of ₹ 75 per Equity Share (including a premium of ₹ 70 per Equity Share) were allotted by way of rights issue to the eligible Equity Shareholders for an amount aggregating to ₹ 7,948.34 Lakhs.

### (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 March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | No. of shares | % | No. of shares | % |
| Rainbow Investments Limited | 3,96,04,042 | 43.94% | 3,96,04,042 | 43.94% |

### (d) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date :

| | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|---|
| Equity shares of ₹ 5 each allotted as fully paid-up pursuant to the Scheme [refer note 13 (a) & 2.2 (r)] | 7,95,34,226 | 7,95,34,226 | 7,95,34,226 | 7,95,34,226 | - |
| Preference shares of ₹ 100 each allotted as fully paid-up pursuant to the Scheme [refer note 13 (a) & 2.2 (r)] | 5,00,000 | 5,00,000 | 5,00,000 | 5,00,000 | - |

### (e) Details of shares held by promoters and promotor group

| Sl No | Name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total shares | % change during the year |
|---|---|---|---|---|---|---|
| **As at March 31, 2022** | | | | | | |
| 1 | Rainbow Investments Limited | 3,96,04,042 | - | 3,96,04,042 | 43.94% | 0.00% |
| 2 | Stel Holdings Limited | 43,96,082 | - | 43,96,082 | 4.88% | 0.00% |
| 3 | Castor Investments Limited | 20,60,661 | 3,30,000 | 23,90,661 | 2.65% | 16.01% |
| 4 | Quest Capital Markets Limited | - | 17,41,508 | 17,41,508 | 1.93% | 100.00% |
| 5 | PCBL Limited (formerly known as Phillips Carbon Black Limited) | 11,46,613 | - | 11,46,613 | 1.27% | 0.00% |
| 6 | Saregama India Limited | 8,56,790 | 1,93,800 | 10,50,590 | 1.17% | 22.62% |
| 7 | Integrated Coal Mining Limited | 24,56,247 | - | 24,56,247 | 2.73% | 0.00% |
| 8 | Kolkata Metro Networks Limited | 1,93,800 | (1,93,800) | - | 0.00% | -100.00% |
| 9 | Dotex Merchandise Private Limited | 28,107 | - | 28,107 | 0.03% | 0.00% |
| 10 | Lebnitze Real Estates Private Limited | - | 1,399 | 1,399 | 0.00% | 100.00% |
| 11 | Sanjiv Goenka (HUF) | 8,360 | - | 8,360 | 0.01% | 0.00% |
| 12 | Sanjiv Goenka | 91,659 | - | 91,659 | 0.10% | 0.00% |
| 13 | Shashwat Goenka | 75,756 | - | 75,756 | 0.08% | 0.00% |
| 14 | Preeti Goenka | 17,150 | - | 17,150 | 0.02% | 0.00% |
| 15 | Avarna Jain | 340 | - | 340 | 0.00% | 0.00% |
| | | **5,09,35,607** | **20,72,907** | **5,30,08,514** | **58.81%** | **4.07%** |

## 12. EQUITY SHARE CAPITAL (continued)

| Sl No | Name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total shares | % change during the year |
|---|---|---|---|---|---|---|
| **As at March 31, 2021** | | | | | | |
| 1 | Rainbow Investments Limited | 3,80,32,979 | 15,71,063 | 3,96,04,042 | 43.94% | 4.13% |
| 2 | Stel Holdings Limited | 14,96,082 | 29,00,000 | 43,96,082 | 4.88% | 193.84% |
| 3 | Castor Investments Limited | 12,00,584 | 8,60,077 | 20,60,661 | 2.29% | 71.64% |
| 4 | Phillips Carbon Black Limited | 10,11,718 | 1,34,895 | 11,46,613 | 1.27% | 13.33% |
| 5 | Saregama India Limited | 7,55,992 | 1,00,798 | 8,56,790 | 0.95% | 13.33% |
| 6 | Integrated Coal Mining Limited | 6,45,218 | 18,11,029 | 24,56,247 | 2.73% | 280.68% |
| 7 | Kolkata Metro Networks Limited | 1,71,000 | 22,800 | 1,93,800 | 0.22% | 13.33% |
| 8 | Dotex Merchandise Private Limited | 24,801 | 3,306 | 28,107 | 0.03% | 13.33% |
| 9 | Sanjiv Goenka (HUF) | 7,377 | 983 | 8,360 | 0.01% | 13.33% |
| 10 | Sanjiv Goenka | 80,876 | 10,783 | 91,659 | 0.10% | 13.33% |
| 11 | Shashwat Goenka | 66,844 | 8,912 | 75,756 | 0.08% | 13.33% |
| 12 | Preeti Goenka | 15,133 | 2,017 | 17,150 | 0.02% | 13.33% |
| 13 | Avarna Jain | 300 | 40 | 340 | 0.00% | 13.33% |
| | | **4,35,08,904** | **74,26,703** | **5,09,35,607** | **56.52%** | **17.07%** |

**(f) None of the shares were issued as bonus or bought back by the Company since incorporation.**

## 13. OTHER EQUITY

| | As at March 31, 2022<br>₹ in Lakhs | As at March 31, 2021<br>₹ in Lakhs |
|---|---|---|
| **Capital reserve** | | |
| Balance as at beginning of the year | 55,965.23 | 55,965.23 |
| **Balance as at end of the year (a)** | **55,965.23** | **55,965.23** |
| **Securities premium** | | |
| **Balance as at beginning of the year** | **7,196.57** | **-** |
| Premium on equity shares alloted pursuant to rights issue (refer note 12 (a)) | - | 7,418.45 |
| Less: Expenses incurred on account of equity shares issued on rights basis* | - | (221.88) |
| **Balance as at end of the year (b)** | **7,196.57** | **7,196.57** |
| * Includes ₹ Nil (March 31, 2021 : ₹ 40.00 Lakhs) paid to auditors | | |
| **Share based payment reserve** | | |
| Balance as at beginning of the year | 18.63 | - |
| Addition on account of ESOP 2019 (refer note 37) | 14.94 | 18.63 |
| **Balance as at end of the year (c)** | **33.57** | **18.63** |
| **Retained earnings** | | |
| Balance as at beginning of the year | (33,232.14) | (20,416.91) |
| Loss for the year | (8,456.46) | (12,793.12) |
| Remeasurement of defined benefit plans | (315.90) | (66.56) |
| Covid - 19 related rent concessions (refer note 30) | - | 44.45 |
| **Balance as at end of the year (d)** | **(42,004.50)** | **(33,232.14)** |
| **Total Other Equity (a) + (b) + (c) + (d)** | **21,190.87** | **29,948.29** |

**Note :**

(a) The Capital Reserve had arisen pursuant to the composite Scheme of Arrangement amongst the Company, CESC Limited and eight other companies and their respective shareholders, as approved by Hon'ble National Company Law Tribunal (NCLT).

(b) The amount received in excess of face value of the equity shares is recognised in securities premium. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

## 13. OTHER EQUITY (continued)

(c) The Company has an ESOP 2019 scheme under which options to subscribe for the Company's equity shares have been granted to eligible employees. The share based payment reserve is used to recognise the grant date fair value of such options granted (refer note 37).

(d) Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company and eligible for distribution to shareholders, in in case where it has positive balance represents net earnings till date.

## 14. BORROWINGS

| | As at March 31, 2022<br>₹ in Lakhs | As at March 31, 2021<br>₹ in Lakhs |
|---|---|---|
| **Non- Current Borrowings** | | |
| (Secured) | | |
| Term Loan from Banks | 11,666.67 | 3,461.50 |
| Less : Current maturities of long term borrowings | (2,266.67) | (666.80) |
| Less : Unamortised borrowings costs | (110.27) | (88.49) |
| | **9,289.73** | **2,706.21** |

### 1. Security & other terms

Out of the term loan from banks:

a) ₹ 1,666.67 Lakhs (March 31, 2021 : ₹ 2,333.34 Lakhs) is secured by first Pari Passu charge by way of hypothecation over moveable fixed assets including plant and equipment of the Company and second Pari Passu charge by way of hypothecation on the entire current assets of the Company. The said loan is payable after 9 months from the date of first disbursement in 18 equal quarterly installments of ₹ 166.67 Lakhs each. It carries an interest rate @ 6 Month Marginal Cost of Funds based Lending Rate (MCLR) plus 0.10% p.a. i.e. 7.95% p.a as at year end.

b) ₹ 6,000.00 Lakhs (March 31, 2021 : ₹ 1,128.16 Lakhs ) is secured by first Pari Passu charge by way of hypothecation over moveable fixed assets of the Company and second Pari Passu charge on the entire current assets of the Company. The said loan is payable after 15 months from the date of first disbursement in 20 equal quarterly installments. It carries an interest rate @ 1 year MCLR plus 1.15% p.a. i.e. 8.40% p.a as at year end.

c) ₹ 4,000.00 Lakhs (March 31, 2021 : Nil ) is secured by first Pari Passu charge by way of hypothecation over moveable fixed assets of the Company and second Pari Passu charge on the entire current assets of the Company. The said loan is payable after 12 months from the date of first disbursement in 20 equal quarterly installments. It carries an interest rate @ 6 month MCLR plus 0.55% p.a. i.e. 8.60% p.a as at year end.

₹ in Lakhs

d)

| **Maturity profile of non current borrowings outstanding as at year end** | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Payable within 1 year | 2,266.67 | 666.80 |
| Payable between 1 to 3 years | 5,000.00 | 1,784.60 |
| Payable between 3 to 5 years | 4,000.00 | 784.60 |
| Payable beyond 5 years | 400.00 | 225.50 |

2. Term loans were applied for the purpose for which the loans were obtained except for idle funds amounting to ₹ 1,001 Lakhs which were not required for immediate utilisation and which have been gainfully invested in highly liquid investments.

Notes to Standalone financial statements
as at and for the year ended March 31, 2022

## 14. BORROWINGS (continued)

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| **Current Borrowings** | | |
| (Secured) | | |
| Working Capital Loan from Bank | 9,500.00 | 4,500.00 |
| Invoice financing facility from Bank | 8,265.13 | 9,315.36 |
| Current maturities of long term borrowings | 2,266.67 | 666.80 |
| | **20,031.80** | **14,482.16** |

### 1. Security & other terms

a) ₹ 4,500.00 Lakhs (March 31, 2021 : ₹ 4,500.00 Lakhs) Working Capital loan is secured by first Pari Passu charge by way of hypothecation over entire current assets of the Company and second Pari Passu charge by way of Hypothecation over entire moveable fixed assets of the Company and carries interest @ 6 Month MCLR plus applicable spread i.e. 8.55% p.a. as at year end payable at monthly rest. It is payable on demand.

b) ₹ 5,000.00 Lakhs (March 31, 2021 : Nil) Working Capital loan is secured by first Pari Passu charge by way of hypothecation over entire current assets of the Company and second Pari Passu charge by way of Hypothecation over entire moveable fixed assets of the Company and carries interest @ 1 Month MCLR plus applicable spread i.e. 8.55% p.a. as at year end payable at monthly rest. It is payable on demand.

c) Invoice financing facility from Bank is secured by first Pari Passu charge by way of hypothecation over entire current assets of the Company and second Pari Passu charge by way of Hypothecation over moveable fixed assets of the Company. It carries interest at MCLR plus applicable spread (i.e. 9.00% p.a. as at year end). Loan is payable in maximum period of 90 days.

2. The Company has obtained secured short term loan from banks on the basis of security of inventories and trade receivables wherein the quarterly returns as filed with banks are in agreement with books except below:

| Quarter ended | Name of bank | Particular of security provided | Amount as per books | Amount as Statement | Reconciling items | Remarks |
|---|---|---|---|---|---|---|
| March 31, 2021 | ICICI Bank | Trade receivables | 6,535 | 6,104 | 431 | Reconcilation items are on account of the details being submitted (as per the format provided by the bank) on the basis of provisional books of accounts. Adjustments pertaining to reclass of advances, trade payables etc are done only on finalization of books of accounts / financial statements. |
| March 31, 2021 | ICICI Bank | Inventories | 23,582 | 24,736 | -1,154 | Reconcilation items are on account of the details (gross number as per format provided by the bank) being submitted on the basis of provisional books of accounts. Adjustments pertaining to overhead allocation on inventory, provisioning on stock, sale on return inventory etc are done only on finalization of books of accounts / financial statements. |
| March 31, 2021 | ICICI Bank | Trade payables | 27,344 | 20,708 | 6,636 | Reconcilation items are on account of the details being submitted (as per the format provided by the bank) on the basis of provisional books / financial statements. Adjustments pertaining to reclass of advances, sale on return inventory, provision for expenses etc are done only on finalization of books of accounts / financial statements. |

## 15. OTHER FINANCIAL LIABILITIES

### (i) Non Current

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| **Non-cumulative non-convertible redeemable preference shares** | | |
| 0.01% non-cumulative non-convertible redeemable preference shares of ₹ 100 each: 500,000 shares (March 31, 2021 : 500,000 shares) issued pursuant to the Scheme (refer note 13 (a)) | 114.26 | 103.87 |
| | **114.26** | **103.87** |

**Rights, preferences and restrictions attached to preference shares :**

The non-cumulative non-convertible 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.

### (ii) Current

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| Interest accrued but not due on borrowings | 180.41 | 100.10 |
| Sundry deposits | 352.37 | 326.30 |
| Liability for capital goods | 143.84 | 181.72 |
| Payable to employees | 1,748.61 | 1,760.86 |
| Others | 271.60 | 163.38 |
| | **2,696.83** | **2,532.36** |

## 16. CONTRACT LIABILITIES

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| Advances from customers | 1,175.12 | 900.64 |
| | **1,175.12** | **900.64** |

## 17. TRADE PAYABLES

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises (refer note 31) | 73.42 | 62.07 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 29,129.69 | 27,282.07 |
| | **29,203.11** | **27,344.14** |

Refer note 36 for dues to related parties.

Micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with them and the auditors have relied on the same.

**Trade payable Ageing Schedule**

**As at March 31, 2022**

₹ in Lakhs

| | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Total outstanding dues of micro enterprises and small enterprises | 39.38 | 15.03 | 17.73 | 1.28 | 73.42 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 25,407.29 | 1,800.30 | 682.27 | 1,239.83 | 29,129.69 |

## 17. TRADE PAYABLES (continued)

**Trade payable Ageing Schedule** (continued)

**As at March 31, 2021**

₹ in Lakhs

| | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Total outstanding dues of micro enterprises and small enterprises | 42.76 | 17.92 | 1.39 | - | 62.07 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 23,548.64 | 1,526.34 | 1,022.60 | 1,184.49 | 27,282.07 |

## 18. OTHER CURRENT LIABILITIES

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| Statutory dues | 622.51 | 619.90 |
| Others | 239.92 | 239.92 |
| | **862.43** | **859.82** |

## 19. PROVISIONS

### (i) Non-current

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| **Provisions for employee benefits** | | |
| Provision for gratuity (refer note 35) | 626.43 | 366.15 |
| Provision for compensated absences | 361.29 | 397.06 |
| | **987.72** | **763.21** |
| **Other provisions** | | |
| Provision for decommissioning liability [refer note (a) below] | 404.95 | 378.24 |
| | **1,392.67** | **1,141.45** |

### (ii) Current

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| **Provisions for employee benefits** | | |
| Provision for gratuity (refer note 35) | 0.87 | 20.62 |
| Provision for compensated absences | 220.07 | 14.34 |
| | **220.94** | **34.96** |
| **Other provisions** | | |
| Provision for tax disputes [refer note (b) below] | 48.81 | 27.47 |
| Provision for claims on leased properties [net of amount deposited - refer note (c) below] | 460.11 | 1,183.05 |
| | **508.92** | **1,210.52** |
| | **729.86** | **1,245.48** |

## 19. PROVISIONS (continued)

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 :

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| | ₹ in Lakhs | ₹ in Lakhs |
| **Opening balance** | **378.24** | **336.91** |
| Provision created during the year | 2.27 | 14.72 |
| Interest expense during the year | 24.44 | 26.61 |
| **Closing balance** | **404.95** | **378.24** |

(b) The management has estimated the provisions for pending disputes, claims and demands relating to indirect taxes based on it's assessment of probability for these demands crystallising against the Company in due course.

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| | ₹ in Lakhs | ₹ in Lakhs |
| **Opening balance** | **27.47** | **64.03** |
| Provision created / (reversed) during the year | 21.60 | (10.36) |
| Paid during the year | (0.26) | (26.20) |
| **Closing balance *** | **48.81** | **27.47** |

* Net of deposits as at March 31, 2022 ₹ 29.26 Lakhs (March 31, 2021: ₹ 24.26 Lakhs) made under appeal.

(c) Retailers Association of India (RAI) of which the Company is a member, had 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 had 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 had 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 had already deposited ₹ 460.00 Lakhs and furnished a surety for ₹ 460.00 Lakhs towards the balance service tax liability. During the year, the Company has settled the said case under Sabka Vishwas – (Legacy Dispute Resolution) Scheme, 2019 and obtained a Discharge Certificate for full and final settlement of tax dues upto the period under dispute. Consequently, the Company has reversed the excess liability in the books.

The Company has also been making provision for service tax on rent from October 2011 onwards, the balance whereof as on March 31, 2022 is ₹ 460.11 Lakhs (March 31, 2021: ₹ 1,183.05 Lakhs).

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| | ₹ in Lakhs | ₹ in Lakhs |
| Balance as at the start and end of year | 1,183.05 | 1,183.05 |
| Provision reversed during the year (refer above) | (722.94) | - |
| **Closing balance** | **460.11** | **1,183.05** |

## 20. REVENUE FROM OPERATIONS

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| | ₹ in Lakhs | ₹ in Lakhs |
| **Revenue from contract with customers** | | |
| Sale of goods | 2,08,042.52 | 2,17,279.42 |
| Sale of concessionaire products | 2,950.06 | 2,617.52 |
| Total | 2,10,992.58 | 2,19,896.94 |
| Less: Goods & Services Tax | (17,944.32) | (19,057.31) |
| Less: Cost of goods sold for concessionaire products | (2,315.33) | (2,041.14) |
| | 1,90,732.93 | 1,98,798.49 |
| Other operating revenue | | |
| - Display income | 5,932.24 | 5,017.17 |
| - Others | 3,296.62 | 3,079.55 |
| **Total revenue from contract with customers** | **1,99,961.79** | **2,06,895.21** |

Notes to Standalone financial statements
as at and for the year ended March 31, 2022

## 21. OTHER INCOME

| | For the year ended March 31, 2022 ₹ in Lakhs | For the year ended March 31, 2021 ₹ in Lakhs |
|---|---|---|
| **Interest income on** | | |
| - Bank deposits | 23.60 | 145.71 |
| - Security deposits | 333.64 | 365.58 |
| - Others | 4.47 | - |
| Gain on sale of investments | 174.96 | 849.95 |
| Fair value gain on investments measured at FVTPL | 3,789.15 | 1,109.49 |
| Reversal of net liability on termination of lease | 360.66 | 1,016.78 |
| Covid - 19 related rent concessions [refer note 2.2(y) & 30] | 532.94 | 758.59 |
| Miscellaneous income * | 1,529.53 | 471.90 |
| | **6,748.95** | **4,718.00** |

* includes provision / liabilities no longer required written back.

## 22. COST OF RAW MATERIALS CONSUMED

| | For the year ended March 31, 2022 ₹ in Lakhs | For the year ended March 31, 2021 ₹ in Lakhs |
|---|---|---|
| Inventories at the beginning of the year | 60.76 | 86.62 |
| Purchases during the year | 663.76 | 686.73 |
| | 724.52 | 773.35 |
| Less: Inventories at the end of the year | 48.11 | 60.76 |
| | **676.41** | **712.59** |

## 23. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

| | For the year ended March 31, 2022 ₹ in Lakhs | For the year ended March 31, 2021 ₹ in Lakhs |
|---|---|---|
| Inventories at the beginning of the year | 23,169.72 | 22,680.36 |
| Less: Inventories at the end of the year | 22,473.09 | 23,169.72 |
| | **696.63** | **(489.36)** |

## 24. EMPLOYEE BENEFITS EXPENSE

| | For the year ended March 31, 2022 ₹ in Lakhs | For the year ended March 31, 2021 ₹ in Lakhs |
|---|---|---|
| Salaries, wages and bonus * | 13,686.74 | 14,226.71 |
| Gratuity defined benefit plan [refer note 35] | 104.14 | 108.74 |
| Contribution to provident and other funds | 879.33 | 836.79 |
| Staff welfare expenses | 540.50 | 662.96 |
| | **15,210.71** | **15,835.20** |

* Net of ₹ 138.55 Lakhs (March 31, 2021 : ₹ 196.55 Lakhs ) claimed as subsidy under National Apprenticeship Promotion Scheme (NAPS).

## 25. OTHER EXPENSES

| | For the year ended March 31, 2022 | | For the year ended March 31, 2021 | |
|---|---|---|---|---|
| | | ₹ in Lakhs | | ₹ in Lakhs |
| Power and fuel | | 3,898.01 | | 3,858.96 |
| Freight | | 215.31 | | 460.68 |
| Rent [refer note 30] | | 2,175.13 | | 1,993.60 |
| Repairs and maintenance | | | | |
| - Buildings | | 307.89 | | 353.69 |
| - Others | | 2,936.11 | | 2,944.92 |
| Insurance | | 117.15 | | 149.47 |
| Rates and taxes | | 398.90 | | 476.13 |
| Advertisement and selling expenses | | 2,870.01 | | 2,779.74 |
| Packing materials consumed | | 676.63 | | 605.57 |
| Travelling and conveyance | | 305.39 | | 434.15 |
| Payment to auditors | | | | |
| As auditor | | | | |
| - Audit fees | 86.54 | | 80.50 | |
| - Tax audit fees | 10.75 | | 10.00 | |
| - Limited Review | 19.35 | | 18.00 | |
| - Other services | 0.81 | | 0.75 | |
| - Reimbursement of expenses | 1.63 | 119.08 | 3.39 | 112.64 |
| Communication expenses | | 230.30 | | 239.37 |
| Printing and stationery | | 232.53 | | 213.87 |
| Legal and consultancy expenses | | 434.32 | | 463.28 |
| Commission on sales | | 2,220.85 | | 386.32 |
| Housekeeping expenses | | 2,338.35 | | 2,535.71 |
| Security expenses | | 1,591.41 | | 1,619.07 |
| Provision for doubtful store lease deposits | | 3.13 | | 250.41 |
| Loss on sale of property, plant and equipment (net) | | 71.63 | | - |
| Provision for bad & doubtful debts (net) | | | | |
| - Bad debts written off | 733.99 | | 599.76 | |
| - (Adjustment) / Creation: Provision for bad & doubtful debts | (743.82) | (9.83) | 2,267.12 | 2,866.88 |
| Miscellaneous expenses | | 796.67 | | 1,274.40 |
| | | **21,928.97** | | **24,018.86** |

## 26. DEPRECIATION AND AMORTISATION EXPENSE

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| | ₹ in Lakhs | ₹ in Lakhs |
| Depreciation of property, plant and equipment (refer note 3) | 2,746.28 | 3,313.72 |
| Depreciation on right-of-use assets (refer note 30) | 6,360.17 | 7,089.81 |
| Amortisation of other intangible assets (refer note 4) | 246.60 | 213.40 |
| | **9,353.05** | **10,616.93** |

## 27. FINANCE COSTS

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| | ₹ in Lakhs | ₹ in Lakhs |
| Interest expense on | | |
| - Borrowings | 2,101.97 | 945.61 |
| - Lease liabilities (refer note 30) | 5,054.82 | 5,321.96 |
| - Non-cumulative non-convertible redeemable preference shares | 10.39 | 9.44 |
| - Decommissioning liability | 24.44 | 26.61 |
| - Others | 20.49 | 21.71 |
| Other costs | 388.71 | 560.94 |
| | **7,600.82** | **6,886.27** |

## 28. EARNING PER SHARE (EPS)

Basic and diluted EPS have been calculated by dividing the loss for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| | ₹ in Lakhs | ₹ in Lakhs |
| Loss for the year (A) (₹ in Lakhs) | (8,456.46) | (12,793.12) |
| Weighted average number of equity shares (B) | 9,01,32,009 | 8,63,84,516 |
| Earnings per share – basic and diluted (face value of ₹ 5 each) (C = A/B) | (9.38) | (14.81) |

## 29. COMMITMENTS AND CONTINGENCIES

### (a) Contingent liabilities

| | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| | | ₹ in Lakhs | ₹ in Lakhs |
| Contingent liabilities not provided for in respect of: | | | |
| (i) | Sales Tax / Value Added Tax (VAT) / Goods and Services Tax demands (GST) under appeal | 230.77 | 907.69 |
| (ii) | Claims against the Company not acknowledged as debt | 4,452.45 | 4,789.60 |

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated February 28, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject.

The Company has furnished a Comfort letter in respect of a term loan obtained from a financial institution by its wholly owned subsidiary "Natures Basket Limited" for a total sanction amount of ₹ 5,500.00 Lakhs. The outstanding amount as at year end in the books of subsidiary is ₹ 3,437.50 Lakhs (March 31, 2021 : ₹ 4,354.17 Lakhs).

### (b) Commitments

| | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| | | ₹ in Lakhs | ₹ in Lakhs |
| (i) | Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) | 111.52 | 257.79 |
| (ii) | For Investments - Others | 97.50 | 172.50 |

## 30. IND AS - 116 LEASES

**The movement in right-of-use ("ROU") assets and lease liabilities is as below :**

**Right-of-use Assets : -**

| Particulars | Buildings | Buildings |
|---|---|---|
| | As at March 31, 2022 | As at March 31, 2021 |
| | ₹ in Lakhs | ₹ in Lakhs |
| **Opening Balance** | 44,744.43 | 40,976.19 |
| Additions [refer note (i) below] | 7,243.81 | 13,867.62 |
| Deletions [refer note (ii) below] | (1,894.91) | (3,009.57) |
| Depreciation (refer note 26) | (6,360.17) | (7,089.81) |
| **Closing balance** | **43,733.16** | **44,744.43** |

(i) Includes ₹ 364.89 Lakhs (March 31, 2021: ₹ 372.27 Lakhs) on account of prepaid expenses on fair valuation of security deposits.

(ii) Includes ₹ 117.47 Lakhs (March 31, 2021: ₹ 203.64 Lakhs) pertaining to reversal of prepaid expenses (recognised on fair valuation of security deposits) on termination of leases.

## 30. IND AS - 116 LEASES (continued)

### Lease Liabilities :

| Particulars | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| **Opening Balance** | 59,334.78 | 54,527.60 |
| Additions | 6,878.92 | 13,495.35 |
| Interest expenses incurred for the year (refer note 27) | 5,054.82 | 5,321.96 |
| Deletions | (2,138.10) | (3,822.71) |
| Covid - 19 related rent concessions [refer note (iii) below] | (532.94) | (803.04) |
| Payment of lease liabilities [refer note (iv) below] | (10,068.95) | (9,384.38) |
| **Closing balance** | **58,528.53** | **59,334.78** |

(iii) The Ministry of Corporate Affairs vide notification dated July 24, 2020 and June 18, 2021, issued an amendment to Ind AS: 116 "Leases", by inserting a practical expedient with respect to "Covid-19 Related Rent Concessions" effective from the period beginning on or after April 01, 2020. Pursuant to the above amendment, the Company has applied the practical expedient during the year ended March 31, 2022 in respect of lease agreements where negotiations have been completed and accounted the unconditional rent concessions of ₹ 532.94 Lakhs (March 31, 2021 : ₹ 758.59 Lakhs) in "Other income" (refer note 21). The Company has also accounted for ₹ Nil (March 31, 2021 : ₹ 44.45 Lakhs) in "Retained Earnings" (refer note 13), against unconditional rent concessions received pertaining to period before April 01, 2020.

The Company has further adjusted rent concessions amounting to ₹ 21.48 Lakhs (March 31, 2021 : ₹ 129.31 Lakhs) during the year ended March 31, 2022, for stores with variable lease payments in "Other expenses" (refer note 25) in the Statement of Profit and Loss.

(iv) Includes ₹ 5,054.82 Lakhs (March 31, 2021: ₹ 5,321.96 Lakhs) on account of interest expenses.

(v) The following is the break-up of current and non-current lease liabilities

| Particulars | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| Current lease liabilities | 7,005.87 | 7,120.65 |
| Non-current lease liabilities | 51,522.66 | 52,214.13 |
| **Total** | **58,528.53** | **59,334.78** |

(vi) The table below provides details regarding the contractual maturities of lease liabilities as at year end on an undiscounted basis :

| Particulars | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| Less than one year | 11,804.07 | 11,933.10 |
| One to five years | 32,659.63 | 34,278.81 |
| More than five years | 54,232.22 | 48,963.72 |
| **Total** | **98,695.92** | **95,175.63** |

(vii) The effective discount rate for lease liabilities is 8.76% p.a.

(viii) The table below provides details of amount recognised in Statement of profit and loss :

| Particulars | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| Depreciation on Right-of-use assets (refer note 26) | 6,360.17 | 7,089.81 |
| Interest expenses on lease liabilities (refer note 27) | 5,054.82 | 5,321.96 |
| Rental expenses (excluding taxes) recorded for short term leases (refer note 25) | 110.04 | 443.05 |
| Rental expenses (excluding taxes) recorded for variable leases (refer note 25) | 1,587.49 | 1,102.76 |
| **Total** | **13,112.52** | **13,957.58** |

(ix) The Company had total cash outflows for leases of ₹ 11,766.48 Lakhs for the year ended March 31, 2022 (March 31, 2021 - ₹ 10,658.12 Lakhs).

Notes to Standalone financial statements
as at and for the year ended March 31, 2022

## 31. INFORMATION RELATING TO MICRO, SMALL AND MEDIUM ENTERPRISES (MSME):

| | **Particulars** | **As at March 31, 2022 ₹ in Lakhs** | **As at March 31, 2021 ₹ in Lakhs** |
|---|---|---|---|
| (i) | The principal amount and interest due there on remaining unpaid to suppliers under Micro, Small and Medium Enterprises Development Act, 2006 as at the end of each accounting year | | |
| | Principal | 36.83 | 33.96 |
| | Interest | 3.56 | 0.94 |
| (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 | 198.73 | 362.03 |
| | Interest | 4.92 | 12.36 |
| (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. | 28.11 | 14.81 |
| (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. | 36.59 | 28.11 |

## 32. CONTRACT BALANCES UNDER IND AS 115

| **Particulars** | **As at March 31, 2022 ₹ in Lakhs** | **As at March 31, 2021 ₹ in Lakhs** |
|---|---|---|
| Trade receivables | 2,617.13 | 3,145.53 |
| Contract liabilities | 1,175.12 | 900.64 |

Trade receivables are non-interest bearing and are generally on terms of 15 to 90 days.

Contract liabilities include advances received from customers against sale of gift cards and prepaid cards.

## 33. DEFERRED TAX ASSETS/(LIABILITIES) (NET)

| | | **As at March 31, 2022 ₹ in Lakhs** | **As at March 31, 2021 ₹ in Lakhs** |
|---|---|---|---|
| (a) | **Deferred tax relating to assets and liabilities:** | | |
| | **- Deferred tax liabilities** | | |
| | Unamortised Borrowings Costs | (38.53) | - |
| | Fair value gain on investment | (2,074.84) | (749.70) |
| | Right-of-use assets | (15,282.12) | (15,635.49) |
| | **Total** | **(17,395.49)** | **(16,385.19)** |
| | **-Deferred tax assets** | | |
| | Property, plant and equipment and other intangible assets | 54.20 | 44.58 |
| | Carry forward business losses / unabsorbed depreciation | 36,475.41 | 35,990.22 |
| | Disallowance under Tax Laws | 488.15 | 332.21 |
| | Lease Liabilities | 20,452.21 | 20,733.95 |
| | MAT (Minimum Alternative Tax) credit entitlement | 141.34 | 141.34 |
| | Others | 1,670.80 | 1,901.84 |
| | **Total** | **59,282.11** | **59,144.14** |
| | | | |
| | **-Deferred tax assets (net)** | **41,886.62** | **42,758.95** |
| | **-Unrecognised Deferred tax assets (net)*** | **41,886.62** | **42,758.95** |
| | **-Deferred tax asset as per balance sheets** | **-** | **-** |

* Deferred tax asset 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 to be recovered.

## 33. DEFERRED TAX ASSETS/(LIABILITIES) (NET) (continued)

(b) There being no charge on account of tax expense, reconciliation between effective tax rate and statutory rate of tax is not disclosed.

(c The Company has tax losses of ₹ 43,984.39 Lakhs (March 31, 2021 : ₹ 45,630.44 Lakhs) and unabsorbed depreciation of ₹ 60,398.09 Lakhs (March 31, 2021 : ₹ 57,363.54 Lakhs) as at year end. Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

(d) MAT credits entitlements are taxes paid to tax authorities which can be offset against future tax liabilities, subject to certain restrictions, within a period of 15 years from the year of origination.

The Company recognises MAT assets only to the extent it expects to realise the same within the prescribed period. The Company has not recognised MAT assets in the absence of reasonable certainty. The expiry date of Unrecognised MAT credit of ₹ 141.34 Lakhs is 12 years (March 31, 2021: 13 years).

## 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. There are no customers contributing more than 10% of Revenue from operations.

## 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 favorable 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 :

| | | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|
| | | ₹ in Lakhs | ₹ in Lakhs |
| (a) | **Reconciliation of present value of defined benefit obligations** | | |
| | **Balance at the beginning of the year** | 602.22 | 494.00 |
| | Current service cost | 104.14 | 108.74 |
| | Interest cost | 35.07 | 30.82 |
| | Benefits paid | (195.26) | (101.03) |
| | Actuarial (gain) / loss on defined benefit obligations | 311.96 | 69.69 |
| | **Balance at the end of the year** | **858.13** | **602.22** |
| | | | |
| (b) | **Reconciliation of fair value of plan assets** | | |
| | **Balance at the beginning of the year** | 215.45 | 144.66 |
| | Interest income | 14.58 | 10.05 |
| | Contributions by employer | 200.00 | 158.64 |
| | Benefits paid | (195.26) | (101.03) |
| | Actuarial gains / (losses) | (3.94) | 3.13 |
| | **Balance at the end of the year** | **230.83** | **215.45** |
| | | | |
| (c) | **Net defined benefit liabilities / (assets)** | | |
| | Present value of defined benefit obligations | 858.13 | 602.22 |
| | Fair value of plan assets | (230.83) | (215.45) |
| | Net defined benefit liabilities [refer note 19] | **627.30** | **386.77** |
| | | | |
| (d) | **Expense recognised in statement of Profit or Loss** | | |
| | Current service cost | 104.14 | 108.74 |
| | Interest cost | 35.07 | 30.82 |
| | Interest income | (14.58) | (10.05) |
| | | **124.63** | **129.51** |

## 35. ASSETS AND LIABILITIES RELATING TO EMPLOYEE DEFINED BENEFITS (continued)

| | | For the year ended March 31, 2022 ₹ in Lakhs | For the year ended March 31, 2021 ₹ in Lakhs |
|---|---|---|---|
| **(e)** | **Remeasurement recognised in Other Comprehensive Income** | | |
| | Actuarial loss on defined benefit obligations | 311.96 | 69.69 |
| | Actuarial (gain) / loss on plan assets | 3.94 | (3.13) |
| | | **315.90** | **66.56** |
| | | | |
| **(f)** | **The major category of plan assets as a percentage of the fair value of total plan assets are as follows :** | | |
| | Investments with insurer | 100% | 100% |
| | | | |
| **(g)** | **Actuarial assumptions** | | |
| | | | |
| | Discount rate | 5.80% | 6.95% |
| | Expected rate of return on assets | 6.95% | 6.95% |
| | Future compensation growth | 4.60% | 4.60% |
| | Average expected future service | 27 years | 21 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) (modified) - 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 ₹ 230.69 Lakhs (March 31, 2021: ₹ 196.11 Lakhs) to gratuity fund in the next year.

### (j) 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:

| | | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|
| | | Increase ₹ in Lakhs | Decrease ₹ in Lakhs | Increase ₹ in Lakhs | Decrease ₹ in Lakhs |
| (i) | Discount rate (0.5% movement) | (13.89) | 14.40 | (37.50) | 41.08 |
| (ii) | Future salary (0.5% movement) | 14.54 | (14.15) | 39.70 | (36.44) |
| (iii) | Mortality (10% movement) | 0.06 | (0.06) | 0.61 | (0.61) |
| (iv) | Attrition rate (0.5% movement) | (0.78) | 0.77 | (0.61) | 0.64 |

### (k) Risk Exposure

Through its defined benefit plans, the Company is exposed to some risks, the most significant of which are detailed below:

(i) Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

(ii) Salary Inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.

(iii) Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

## 35. ASSETS AND LIABILITIES RELATING TO EMPLOYEE DEFINED BENEFITS (continued)

### (l) Estimated future payments of undiscounted gratuity is as follows :

| Particulars | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---:|---:|
| Within 12 months | 230.69 | 196.11 |
| Between 1 to 5 years | 680.11 | 551.84 |
| Between 6 to 10 years | 579.07 | 566.20 |
| Beyond 10 years | 342.94 | 473.37 |
| **Total** | **1,832.81** | **1,787.52** |

## 35.1 DEFINED CONTRIBUTION PLAN

The Company makes contribution to provident fund and national pension scheme towards retirement benefit plan for eligible employees. Under the said plan, the Company is required to contribute a specified percentage of the employee's salaries to the fund benefits. During the year, based on applicable rates, the Company has contributed and charged ₹ 717.03 Lakhs (March 31, 2021: ₹ 659.52 Lakhs) in the Statement of Profit and Loss.

## 36. RELATED PARTY DISCLOSURE

### (i) Subsidiaries / Other entity controlled by the Company

1) Omnipresent Retail India Private Limited
2) Natures Basket Limited
3) Spencer's Employee Benefit Trust (other entity controlled by the Company)

### (ii) Parent under de facto control as defined in Ind AS - 110

1) Rainbow Investments Limited

### (iii) Entities under common control (where transactions have taken place during the year / balances outstanding) :

1) Au Bon Pain Café India Limited
2) Bowlopedia Restaurants India Limited
3) CESC Limited
4) Firstsource Solutions Limited
5) Guiltfree Industries Limited
6) Kolkata Games and Sports Private Limited
7) Open Media Network Private Limited
8) PCBL Limited (Formerly known as Phillips Carbon Black Limited)
9) Quest Properties India Limited
10) RPG Power Trading Co Limited
11) RPSG Resource Private Limited (Formerly known as Accurate Commodeal Private Limited)
12) Saregama India Limited
13) Integrated Coal Mining Limited
14) Haldia Energy Limited
15) Great Wholesale Club Limited - Gratuity fund
16) ATK - Mohan Bagan Private Limited
17) Herbolab India Private Limited
18) Noida Power Company Limited
19) Woodland Multispeciality Hospitals Private Limited
20) PCBL (TN) Limited
21) Open Media Network Private Limited
22) Duncan Brothers & Co. Limited

### (iv) Key Managerial Personnel

1) Sanjiv Goenka - Non-Executive Director and Chairman
2) Shashwat Goenka - Non-Executive Director
3) Utsav Parekh - Independent Director
4) Pratip Chadhuri - Independent Director
5) Rekha Sethi - Independent Director
6) Debanjan Mandal - Independent Director
7) Devendra Chawla - Chief Executive Officer & Managing Director
8) Rahul Nayak - Whole-time Director
9) Kumar Tanmay - Chief Financial Officer (upto October 5, 2021)
10) Neelesh Bothra - Chief Financial Officer (w.e.f. February 9, 2022)
11) Rama Kant - Company Secretary

## 36. RELATED PARTY DISCLOSURE (continued)

### (v) Details of transactions entered into with the related parties:

₹ in Lakhs

| Particulars | Subsidiaries/ Other entity controlled by the Company | | Entities under common control | | Key Managerial Personnel | | Parent under de facto control as defined in Ind AS - 110 | |
|---|---|---|---|---|---|---|---|---|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| **Transactions :** | | | | | | | | |
| Investment in subsidiaries | 6,570.00 | 3,065.00 | - | - | - | - | - | - |
| Sale of goods | 160.90 | 320.86 | 444.97 | 364.66 | - | - | - | - |
| Purchases of stock-in-trade | 30.24 | 107.42 | 257.85 | 305.98 | - | - | - | - |
| Purchase of Property, Plant and Equipment | - | - | - | 4.68 | - | - | - | - |
| Interest received | - | 0.27 | - | - | - | - | - | - |
| Rendering of services | - | - | 1,170.81 | 1,394.56 | - | - | - | - |
| Contribution for Gratuity fund | - | - | 200.00 | 158.64 | - | - | - | - |
| Contribution to ESOP Trust | - | 102.00 | - | - | - | - | - | - |
| Commission paid | 2,512.05 | 437.25 | - | - | - | - | - | - |
| Receiving of services | - | - | 16.42 | 2.55 | - | - | - | - |
| Remittances | 12.22 | - | 238.16 | 65.36 | - | - | - | - |
| License fees | - | - | 59.00 | - | | | | |
| Royalty paid | - | 3.51 | - | - | - | - | - | - |
| Inter Company Deposits given | - | 2,000.00 | - | - | - | - | - | - |
| Inter Company Deposits received back | - | 2,000.00 | - | - | - | - | - | - |
| Electricity expenses | - | - | 251.29 | 259.19 | - | - | - | - |
| Recovery of expenses incurred | 1,127.84 | 142.58 | 5.57 | 30.05 | - | - | - | - |
| Balances written back | - | - | 31.57 | - | - | - | - | - |
| Balances written off | - | - | 38.04 | - | - | - | - | - |
| Rent income | 81.19 | 13.22 | - | - | - | - | - | - |
| Rent expenses | 40.88 | 18.00 | 904.74 | 694.56 | - | - | - | - |
| Security deposits paid | - | - | - | 4.06 | - | - | - | - |
| Security deposits transferred | - | 67.46 | - | - | - | - | - | - |
| Short term employee benefits | - | - | - | - | 1,103.41 | 1,300.46 | - | - |
| Retirement benefits | - | - | - | - | 32.94 | 33.16 | - | - |
| Reimbursement of expenses | 119.66 | 30.39 | - | - | 42.60 | 41.40 | - | - |
| Sitting fees to directors | - | - | - | - | 45.50 | 50.50 | - | - |
| Equity shares allotted pursuant to Rights issue | - | - | - | 1,535.04 | - | 14.77 | - | 1,178.30 |

## 36. RELATED PARTY DISCLOSURE (continued)

### (v) Details of transactions entered into with the related parties (Contd.):

₹ in Lakhs

| Particulars | Subsidiaries/ Other entity controlled by the Company | | Entities under common control | | Key Managerial Personnel | | Parent under de facto control as defined in Ind AS - 110 | |
|---|---|---|---|---|---|---|---|---|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| **Balances outstanding :** | | | | | | | | |
| Receivable against sale of goods | 71.52 | 303.47 | 49.31 | 430.26 | - | - | - | - |
| Payable for purchases of stock-in-trade | - | - | 37.03 | 72.17 | - | - | - | - |
| Receivable against reimbursement | - | - | 11.52 | 53.65 | - | - | - | - |
| Payable for commission expenses | 616.77 | 302.55 | - | - | - | - | - | - |
| Advance for goods and services | - | - | 34.20 | - | | | | |
| Payable for royalty expenses | - | 3.51 | - | - | - | - | - | - |
| Payable for rental expenses | - | 5.02 | - | 108.17 | - | - | - | - |
| Payable for services received | - | - | 0.18 | - | - | - | - | - |
| Payable for remittances | - | - | 242.95 | 587.43 | - | - | - | - |
| Interest receivables | - | 0.27 | - | - | - | - | - | - |
| Security deposit receivable | 67.46 | 67.46 | 146.62 | 146.62 | - | - | - | - |
| Security deposit payable | - | - | - | 36.62 | - | - | - | - |
| Receivable from ESOP Trust | 102.00 | 102.00 | - | - | - | - | - | - |

**Notes:**

(i) The Company's principal related parties consist of Rainbow Investments Limited, its subsidiaries 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 employees benefits are lump sum amounts provided on the basis of actuarial valuation the same is not included above.

(iii) The Company has recognised an expenses of ₹ 14.94 Lakhs (March 31, 2021 : ₹ 18.63 Lakhs ) towards employee stock options granted to Key Managerial Personnel. The same has not been considered as managerial remuneration of the current year as defined under Section 2(78) of the Companies Act, 2013 as the options have not been exercised (refer note 37).

(iv) Refer note 29 (a) for Comfort Letter furnished to wholly owned subsidiary by the Company.

## 37. SHARE BASED PAYMENTS

Spencer's Employee Stock Option Plan 2019 (ESOP 2019)

The details of an employee share based payments plan operated through a trust for ESOP 2019 are as follows:

The ESOP 2019 plan was approved by the shareholders at the 2nd Annual General Meeting of the Company held in the year 2019. Under the scheme, stock options has been granted to eligible employees at an exercise price of ₹ 83.57 per share and their stock options would vest in tranches from the date of grant (i.e June 26, 2020) and shall be exercised within a period of five years from the date of the vesting of the options.

## 37. SHARE BASED PAYMENTS (continued)

### A Details of period within which options will be vested

| Period within which options will vest | % of options that will vest |
|---|---|
| End of 12 months from date of grant | 25% |
| End of 24 months from date of grant | 25% |
| End of 36 months from date of grant | 25% |
| End of 48 months from date of grant | 25% |

### B. Measurement of Fair Values

**Equity-settled share based payment arrangements**

The fair value of the options and the inputs used in the measurement of the grant date fair values of the equity-settled share based payment plan are as follows:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| | ₹ | ₹ |
| Weighted average fair value of Option at Grant Date* | 39.96 | 39.96 |
| Share Price at Grant Date | 88.20 | 88.20 |
| Exercise Price | 83.57 | 83.57 |
| Expected Volatility | 40.69% - 40.71% | 40.69% - 40.71% |
| Expected life | 3.5 years - 6.5 years | 3.5 years - 6.5 years |
| Expected dividends | - | - |
| Risk-free Interest Rate (based on Government Bonds) | 4.64% - 5.72% | 4.64% - 5.72% |

Expected volatility has been based on an evaluation of the historical volatility of comparable companies.

Expected life of the options has been calculated to be the average of the maximum life and the minimum life of the option as it has been granted to higher level management.

*The fair value of option on the date of grant has been done by an independent valuer appointed by the management using the Black Scholes Merton Model.

### C. Reconciliation of the Outstanding Share Options

**The number and weighted average exercise prices of share options under the ESOP 2019 plan are as follows :**

₹

| Particulars | Exercise Price per Option | Number of Options |
|---|---|---|
| **Outstanding as on April 01, 2021** | 83.57 | 1,20,000 |
| Granted during the year | - | - |
| Forfeited during the year | - | - |
| Exercised during the year | - | - |
| **Outstanding as on March 31, 2022** | 83.57 | 1,20,000 |
| Exercisable as on March 31, 2022 | - | - |
| Vested as on March 31, 2022 | 83.57 | 30,000 |
| **Outstanding as on April 01, 2020** | 83.57 | 1,20,000 |
| Granted during the year | - | - |
| Forfeited during the year | - | - |
| Exercised during the year | - | - |
| **Outstanding as on March 31, 2021** | 83.57 | 1,20,000 |
| Exercisable as on March 31, 2021 | - | - |
| Vested as on March 31, 2021 | - | - |

### D. Expenses arising from equity settled share based payments transactions :

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| | ₹ in Lakhs | ₹ in Lakhs |
| Amount recognised in statement of profit and loss | 14.94 | 18.63 |

## 38. FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENTS AND RISK MANAGEMENT

### (a) Accounting classification

The following table shows the carrying values and fair values of financial assets and financial liabilities:

₹ in Lakhs

| | As at March 31, 2022 | | | | As at March 31, 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | At Cost/ Amortised Cost | FVTPL | FVTOCI | Total | At Cost/ Amortised Cost | FVTPL | FVTOCI | Total |
| **Financial assets** | | | | | | | | |
| Investments | | | | | | | | |
| - Equity shares (unquoted) | - | - | 38,444.42 | **38,444.42** | - | - | 31,874.42 | **31,874.42** |
| - Alternative Investment Fund | - | 7,261.62 | - | **7,261.62** | - | 3,452.63 | - | **3,452.63** |
| - Mutual funds | - | 2,077.68 | - | **2,077.68** | - | - | - | **-** |
| Trade receivables | 2,617.13 | - | - | **2,617.13** | 3,145.53 | - | - | **3,145.53** |
| Cash and cash equivalents | 1,374.98 | - | - | **1,374.98** | 5,271.80 | - | - | **5,271.80** |
| Bank balances other than cash and cash equivalents | 114.70 | - | - | **114.70** | 76.00 | - | - | **76.00** |
| Other financial assets | 4,197.42 | - | - | **4,197.42** | 4,611.38 | - | - | **4,611.38** |
| **Total financial assets** | **8,304.23** | **9,339.30** | **38,444.42** | **56,087.95** | **13,104.71** | **3,452.63** | **31,874.42** | **48,431.76** |
| **Financial liabilities** | | | | | | | | |
| Preference shares | 114.26 | - | - | **114.26** | 103.87 | - | - | **103.87** |
| Borrowings | 29,321.53 | - | - | **29,321.53** | 17,188.37 | - | - | **17,188.37** |
| Lease liabilities | 58,528.53 | - | - | **58,528.53** | 59,334.78 | - | - | **59,334.78** |
| Trade payables | 29,203.11 | - | - | **29,203.11** | 27,344.14 | - | - | **27,344.14** |
| Other financial liabilities | 2,696.83 | - | - | **2,696.83** | 2,532.36 | - | - | **2,532.36** |
| **Total financial liabilities** | **1,19,864.26** | **-** | **-** | **1,19,864.26** | **1,06,503.52** | **-** | **-** | **1,06,503.52** |

### (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) The fair values of the unquoted equity shares have been estimated using a DCF (Discounted cash flow) model. The valuation requires management to make certain assumptions about the model inputs, including forecasted cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

In respect of investments in alternative investment fund, the fair values represent net asset value as stated by the respective issuer at the close of the reporting date. Net asset values represent the price at which the issuer will issue further units and the price at which issuer 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 funds are carried out at such prices between investors and the issuer of these units.

In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. 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.

(ii) The carrying amount of trade receivables, cash and cash equivalents, other bank balances, other financial assets, trade payables, current borrowings and other financial liabilities, measured at cost in the financial statements, are considered to be the same as their fair values, due to their short term nature. Where such items are non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Carrying value 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 value and fair value is not expected to be significant. Non current borrowings including current maturity and security deposits (classified as other financial assets) are based on discounted cash flow using an incremental borrowing rate.

## 38. FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENTS AND RISK MANAGEMENT (continued)

### (c) Fair value hierarchy

The table shown below analyses financial instruments carried at fair value, by hierarchy.

₹ in Lakhs

| | As at March 31, 2022 | | | | As at March 31, 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | | | | |
| Investments | | | | | | | | |
| - Equity shares (unquoted) | | - | 38,444.42 | **38,444.42** | - | - | 31,874.42 | **31,874.42** |
| - Alternative Investment Fund | - | - | 7,261.62 | **7,261.62** | - | - | 3,452.63 | **3,452.63** |
| - Mutual funds | 2,077.68 | - | - | **2,077.68** | - | - | - | **-** |
| | **2,077.68** | **-** | **45,706.04** | **47,783.72** | **-** | **-** | **35,327.05** | **35,327.05** |

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.

There have been no transfers of investments between Level 1 and Level 2 fair value measurements during the year ended March 31, 2022 and March 31, 2021, respectively.

### (d) Reconciliation of fair value measurement of investments (categorised as level 3 above) classified as FVTPL/FVTOCI asset:

₹ in Lakhs

| Particulars | FVTOCI | FVTPL |
|---|---|---|
| | Equity shares (unquoted) | Alternative Investment Fund |
| **As at April 01, 2020** | **29,273.93** | **2,343.14** |
| Invested during the year | 2,600.49 | - |
| Gain on sale of investments | - | 806.94 |
| Proceeds during the year | - | (806.94) |
| Fair Value gain recognised in Statement of profit and loss | - | 1,109.49 |
| **As at March 31, 2021** | **31,874.42** | **3,452.63** |
| Invested during the year (refer note 6 (i)) | 6,570.00 | 75.00 |
| Gain on sale of investments | - | 88.48 |
| Proceeds during the year | - | (143.64) |
| Fair Value gain recognised in Statement of profit and loss | - | 3,789.15 |
| **As at March 31, 2022** | **38,444.42** | **7,261.62** |

## 38. FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENTS AND RISK MANAGEMENT (continued)

### (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 Lease liabilities, borrowings, 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, security 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 management 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 that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (including trade receivable and security deposits) and from its financial activities including deposits with banks and financial institutions. An impairment analysis is performed at each reporting date on the basis of sales channel. In addition, a large number of minor receivables are grouped and assessed for impairment collectively.

**Trade receivables :**

The Company operates on business model of primarily cash and carry, credit risk from receivable perspective is insignificant. Customer credit risk is managed basis established policies of Company, procedures and controls relating to customer credit risk management. Outstanding receivables are regularly monitored.

Moreover, the Company's customer base is large and diverse limiting the risk arising out of credit concentration.

**Other remaining financial assets :**

Investments, in the form of fixed deposits, of surplus funds are made generally with banks & financial institutions and within credit limits assigned to each counterparty.

Credit risk in respect for security deposit given for premises taken on lease are tracked by carrying specific analysis of all parties at each reporting period. Historically loss on security deposits are immaterial. Therefore, based on past and forward-looking information available with management and to the best estimate of management, the Company believes that exposure to credit risk on other remaining financial assets is not material.

### (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 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 Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings. The Company believes that cash generated from operations, working capital management and available sources from raising funds (including additional borrowings, if any) as needed will satisfy its cash flow requirement through at least the next twelve months.

## 38. FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENTS AND RISK MANAGEMENT (continued)

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flow amounts are gross and undiscounted:

₹ in Lakhs

| Financial liabilities | Contractual cash flows | | | | |
|---|---|---|---|---|---|
| | Carrying Value | Within 1 year | 1 to 5 years | More than 5 years | Total |
| **As at March 31, 2022** | | | | | |
| Preference shares | 114.26 | - | - | 500.00 | 500.00 |
| Borrowings | 29,321.53 | 20,031.80 | 9,000.00 | 400.00 | 29,431.80 |
| Trade payables | 29,203.11 | 29,203.11 | - | - | 29,203.11 |
| Lease liabilities | 58,528.53 | 11,804.07 | 32,659.63 | 54,232.22 | 98,695.92 |
| Other financial liabilities | 2,696.83 | 2,696.83 | - | - | 2,696.83 |
| | **1,19,864.26** | **63,735.81** | **41,659.63** | **55,132.22** | **1,60,527.66** |
| | | | | | |
| **As at March 31, 2021** | | | | | |
| Preference shares | 103.87 | - | - | 500.00 | 500.00 |
| Borrowings | 17,188.37 | 14,482.16 | 2,569.20 | 225.50 | 17,276.86 |
| Trade payables | 27,344.14 | 27,344.14 | - | - | 27,344.14 |
| Lease liabilities | 59,334.78 | 11,933.10 | 34,278.81 | 48,963.72 | 95,175.63 |
| Other financial liabilities | 2,532.36 | 2,532.36 | - | - | 2,532.36 |
| | **1,06,503.52** | **56,291.76** | **36,848.01** | **49,689.22** | **1,42,828.99** |

### (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 external currency exposure and thus currency 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.

### (iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rate. The Company's exposure to the risk of changes in market interest rates relates primarily to company's borrowing with floating interest rates.

**Exposure to interest rate risk**

₹ in Lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Borrowings bearing variable rate of interest | 29,321.53 | 17,188.37 |

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on affected portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on variable rate borrowing as follows:

A change of 50 bps in interest rates would have following Impact on profit before tax

₹ in Lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| 50 bp increase- decrease in profits | (146.61) | (85.94) |
| 50 bp decrease- increase in profits | 146.61 | 85.94 |

## 39. 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. Apart from internal accrual, sourcing of capital is done through judicious combination of equity and borrowing, both short term and long term.

The capital structure of the Company is based on management's judgment 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.

The Company has not defaulted on any loans payable.

**40.** The Company has incurred a net loss after tax of ₹ 8,456.46 lakhs for the year ended 31st March 2022 and its current liabilities, including current borrowings, exceeds current assets by ₹ 30,266.63 lakhs. The Company has access to unutilised credit lines with its bankers and also additional capital from its promoters, if and when required. The Company also has other investments which can be liquidated, if and when required. Further, the Company has been expanding its operations in its existing territory with increase in trading area, expanding private brand, building growth towards the non-food segments (including own branded apparel). The company is concentrating on increasing its operating cashflows with a focus on improvement of margins through dis-continuance of loss making/ low margin stores. In view of the above factors, and the approved business plan for the next year, the management is confident of its ability to generate sufficient cash to fulfil all its obligations, including debt repayments, over the next 12 months, consequent to which, these financial statements have been prepared on a going concern basis.

**41.** Due to outbreak of COVID-19 globally and in India, the Company has made an assessment of likely adverse impact on economic environment in general, and financial risks on account of COVID-19. The Company is in the business of organised retail which majorly deals with essential commodities. Accordingly, it has assessed that there is no impact on the business of the Company, since in nation-wide partial lockdown during the year ended and in different periods during the previous year, the business in essential commodities was not restricted and the requirement of delivery of essential commodities at doorstep had also increased significantly. It has also assessed recoverability and carrying value of its assets comprising intangible assets and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

## 42. RATIO

| Ratio | Numerator | Denominator | As at March 31, 2022 | As at March 31, 2021 | % change | Reason for variance |
|---|---|---|---|---|---|---|
| Current Ratio | Current Assets | Current Liabilities | 0.51 | 0.63 | -19.05% | |
| Debt- Equity Ratio | Total Debt = Non-current borrowings + Current Borrowings | Total equity | 1.14 | 0.50 | 128.00% | Increase in borrowings during the year. |
| Debt Service Coverage ratio | EBITDA | Debt service = Interest & Lease Payments + Principal Repayments | 0.65 | 0.41 | 58.54% | Increase in EBITDA during the year. |
| Return on Equity ratio | Loss after tax | Total equity | -32.91% | -37.13% | -11.37% | |
| Inventory Turnover ratio (in days) | Average Inventory | Revenue from operations | 42.42 | 41.14 | 3.11% | |
| Trade Receivable Turnover Ratio (in days) | Average Trade receivables | Revenue from operations | 5.26 | 8.17 | -35.62% | Decrease in average trade receivables in current year. |
| Trade Payable Turnover Ratio (in days) | Average Trade payables | Purchase of goods | 64.35 | 63.58 | 1.21% | |
| Net Capital Turnover Ratio | Revenue from operations | Working capital = Current assets – Current liabilities | -6.61 | -10.20 | -35.20% | Increase in short term borrowings and decrease in revenue during the current year. |

Notes to Standalone financial statements
as at and for the year ended March 31, 2022

## 42. RATIO (continued)

| Ratio | Numerator | Denominator | As at March 31, 2022 | As at March 31, 2021 | % change | Reason for variance |
|---|---|---|---|---|---|---|
| Net Loss ratio | Net Loss | Revenue from operations | -4.23% | -6.18% | -31.55% | Improvement in ratio due to reduction in losses in current year. |
| Return on Capital Employed | Earnings before interest expenses, tax, depreciation and amortisation | Capital Employed = Tangible networth + Total Debt | 18.50% | 11.11% | 66.52% | Improvement in ratio due to reduction in losses in current year. |
| Return on Investment | | | | | | |
| Return on Investment-Alternative Investment fund | Fair Value Gain - (Realised + Unrealised) | Average Investment in Alternative Investment Fund | 72.38% | 66.13% | 9.45% | |
| Return on Investment-Mutual fund | Gain on sale of invesment | Monthly Average Mutual Fund Investment | 2.96% | 2.07% | 43.00% | Increase in average investments in current year. |

## 43. OTHER STATUTORY INFORMATION

i) The Company does not have any transactions with companies struck off.

ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

vi) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

vii) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

**44.** Figures for the previous periods have been regrouped / reclassified wherever necessary to conform to current period's classification.

**For S.R. Batliboi & Co. LLP**
Chartered Accountants
Firm registration number - 301003E/E300005

**Kamal Agarwal**
Partner

Membership number - 058652

Place : Kolkata
Date : May 12, 2022

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

**Devendra Chawla**
Chief Executive Officer and Managing Director
DIN: 03586196
Place : Kolkata

**Shashwat Goenka**
Director
DIN: 03486121
Place : Kolkata

**Sanjiv Goenka**
Chairman
DIN: 00074796
Place : Kolkata

**Rahul Nayak**
Whole-time Director
DIN: 06491536
Place : Kolkata

**Rama Kant**
Company Secretary
Place : Kolkata

**Neelesh Bothra**
Chief Financial Officer
Place : Kolkata

Date : May 12, 2022

# Independent Auditor's Report

To the Members of
**Spencer's Retail Limited**

**Report on the Audit of the Consolidated Financial Statements**

## Opinion

We have audited the accompanying consolidated financial statements of Spencer's Retail Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2022, the consolidated Statement of Profit and Loss, including other comprehensive loss, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated 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, 2022, their consolidated loss including other comprehensive loss, 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 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 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 financial statements.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated 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 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 financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| Impairment Testing of Intangibles (as described in Note 4 of the consolidated financial statements) | |
| The Group has acquired brands and goodwill (intangible assets) as at March 31, 2022. These intangibles are assessed to have an indefinite useful life and as required by Ind AS 36 "Impairment of Assets", are tested for impairment annually.<br>The Group has engaged a valuer to determine the recoverable value of acquired brands using the relief from royalty method and fair value of investment in subsidiary (Natures Basket Limited) using discounted cash flow method for impairment testing of Goodwill. Both the valuation methods are sensitive to changes in inputs used in valuation and involves judgment due to inherent uncertainty in the assumptions related to discount rate, future growth rate, future cash flows and future royalty rates.<br>Accordingly, impairment testing for these intangibles is determined to be a key audit matter in our audit of the consolidated financial statements. | Our audit procedures included, among others the following:<br>• We read and assessed the Group's accounting policies with respect to impairment testing<br>• We obtained and reviewed the impairment testing reports for brands and fair valuation report prepared by the Company's independent valuation specialist and also assessed the valuation specialist's objectivity and independence<br>• We evaluated the independent valuation specialist's methodology, assumptions and estimates used in the calculations. In performing these procedures, we also engaged valuation specialists.<br>• We assessed management's sensitivity analysis around the key assumptions.<br>• We assessed the disclosures made in the consolidated financial statements. |

## 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 Directors Report, Management Discussion and Analysis, Report on Corporate Governance, Additional Shareholder Information, Report on Corporate Social Responsibility Activities and Statement containing salient features of the financial statements of subsidiaries, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 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 Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated 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 loss, 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 judgments 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 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 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 with reference to financial statements 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 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 financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated 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 financial statements for the financial year ended March 31, 2022 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.

## Other Matter

(a) We did not audit the financial statements and other financial information, in respect of a subsidiary company, whose financial statements include total assets of Rs 1,464.17 lakhs as at March 31, 2022, and total revenues of Rs 2,212.66 lakhs and net cash outflows of Rs 13.14 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditor.

(b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of an entity controlled by the Holding Company, whose financial statements and other financial information reflect total assets of Rs 102.00 lakhs as at March 31, 2022, and total revenues of Rs Nil and net cash inflows of Rs Nil for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of this entity controlled by the Holding Company, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid entity controlled by the Holding Company, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of the subsidiary company, incorporated in India, as noted in the 'Other Matter' paragraph, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose report 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 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 and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive loss, 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 financial statements;

(d) In our opinion, the aforesaid consolidated 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, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2022 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 with reference to consolidated financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary, incorporated in India, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company, its subsidiaries 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, , as noted in the 'Other matter' paragraph:

    i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements – Refer Note 29 to the consolidated 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, 2022;

    iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, incorporated in India during the year ended March 31, 2022.

    iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, respectively that, to the best of its knowledge and belief, as disclosed in the note 43 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, respectively that, to the best of its knowledge and belief, as disclosed in the note 43 to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries, from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. No dividend has been declared or paid during the year by the Holding Company and its subsidiaries, incorporated in India.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

**per Kamal Agarwal**
Partner
Membership Number: 058652
UDIN: 22058652AIVMCG2670

Place of Signature: Kolkata
Date: May 12, 2022

# Annexure '1' To The Independent Auditor's Report Of Even Date On The Consolidated Financial Statements Of Spencer's Retail Limted

**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 (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") , which are companies incorporated in India, as of that date.

## Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, 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 (ICAI). 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 Companies Act, 2013.

## Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. 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 with reference to 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

## Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to 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 with reference to 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.

Annexure '1' To The Independent Auditor's Report Of Even Date On The Consolidated Financial Statements Of Spencer's Retail Limited (Contd.)

## Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31,2022, 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 issued by the ICAI.

## Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these one subsidiary, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary incorporated in India.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

**per Kamal Agarwal**
Partner
Membership Number: 058652
UDIN: 22058652AIVGGZ4798

Place of Signature: Kolkata
Date: May 12, 2022

# Consolidated Balance Sheet

as at March 31, 2022

₹ in Lakhs

| Particulars | Notes | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 16,464.62 | 18,012.26 |
| Capital work in progress | 3 | 797.48 | 282.59 |
| Right-of-use assets | 30 | 54,819.29 | 53,482.61 |
| Goodwill | 4 | 13,127.00 | 13,127.00 |
| Other intangible assets | 4 | 20,470.13 | 20,703.13 |
| Financial assets | | | |
| (i) Investments | 6 | 7,301.90 | 3,492.91 |
| (ii) Other financial assets | 10 | 5,330.35 | 5,676.53 |
| Tax assets (net) | | 1,991.64 | 2,050.24 |
| Other assets | 11 | 125.14 | 340.12 |
| **Total non-current assets (A)** | | **1,20,427.55** | **1,17,167.39** |
| **Current assets** | | | |
| Inventories | 5 | 26,041.34 | 26,744.22 |
| Financial assets | | | |
| (i) Investments | 6 | 2,077.68 | - |
| (ii) Trade receivables | 7 | 2,662.96 | 2,976.35 |
| (iii) Cash and cash equivalents | 8 | 1,685.14 | 5,690.61 |
| (iv) Bank balances other than cash and cash equivalents | 9 | 123.01 | 84.15 |
| (v) Other financial assets | 10 | 198.58 | 277.52 |
| Tax assets (net) | | 0.22 | 7.39 |
| Other assets | 11 | 3,311.54 | 3,001.32 |
| **Total current assets (B)** | | **36,100.47** | **38,781.56** |
| **TOTAL ASSETS (A+B)** | | **1,56,528.02** | **1,55,948.95** |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Equity share capital | 12 | 4,506.60 | 4,506.60 |
| Other equity | 13 | 1,679.08 | 14,126.59 |
| **Total equity (C)** | | **6,185.68** | **18,633.19** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 14 | 12,673.96 | 7,547.25 |
| (ii) Lease liabilities | 30 | 62,051.49 | 60,079.06 |
| (iii) Other financial liabilities | 15 | 114.26 | 103.87 |
| Deferred tax liabilities (net) | 33 | 2,085.26 | 2,133.70 |
| Provisions | 19 | 1,554.31 | 1,250.94 |
| **Total non-current liabilities (D)** | | **78,479.28** | **71,114.82** |
| **Current liabilities** | | | |
| Contract liabilities | 16 | 1,482.74 | 1,141.02 |
| Financial liabilities | | | |
| (i) Borrowings | 14 | 23,415.83 | 17,974.38 |
| (ii) Lease liabilities | 30 | 8,719.53 | 8,832.16 |
| (iii) Trade payables | 17 | | |
| - Total outstanding dues of micro enterprises and small enterprises | | 528.13 | 408.86 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 32,808.74 | 32,682.12 |
| (iv) Other financial liabilities | 15 | 3,086.36 | 2,909.39 |
| Other current liabilities | 18 | 1,057.17 | 996.50 |
| Provisions | 19 | 764.56 | 1,256.51 |
| **Total current liabilities (E)** | | **71,863.06** | **66,200.94** |
| **TOTAL EQUITY AND LIABILITIES (C+D+E)** | | **1,56,528.02** | **1,55,948.95** |

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 S.R. Batliboi & Co. LLP**
Chartered Accountants
Firm registration number - 301003E/E300005

**Kamal Agarwal**
Partner

Membership number - 058652

Place : Kolkata
Date : May 12, 2022

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

**Devendra Chawla**
Chief Executive Officer and Managing Director
DIN: 03586196
Place : Kolkata

**Shashwat Goenka**
Director

DIN: 03486121
Place : Kolkata

**Sanjiv Goenka**
Chairman

DIN: 00074796
Place : Kolkata

**Rahul Nayak**
Whole-time Director
DIN: 06491536
Place : Kolkata

**Rama Kant**
Company Secretary

Place : Kolkata

**Neelesh Bothra**
Chief Financial Officer

Place : Kolkata

Date : May 12, 2022

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

₹ in Lakhs

| Particulars | Notes | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 20 | 2,29,968.62 | 2,42,807.04 |
| Other income | 21 | 7,686.05 | 5,339.86 |
| **Total Income (I)** | | **2,37,654.67** | **2,48,146.90** |
| **Expenses** | | | |
| Cost of raw materials consumed | 22 | 676.41 | 712.59 |
| Purchases of stock-in-trade | | 1,80,907.92 | 1,94,400.61 |
| Changes in inventories of finished goods and stock-in-trade | 23 | 717.80 | (1,886.59) |
| Employee benefits expense | 24 | 18,882.53 | 19,315.00 |
| Other expenses | 25 | 26,392.88 | 29,470.50 |
| **Total Expenses (II)** | | **2,27,577.54** | **2,42,012.11** |
| **Earnings before interest expense, tax, depreciation and amortisation (EBITDA) [(I)-(II)]** | | **10,077.13** | **6,134.79** |
| Depreciation and amortisation expense | 26 | 12,575.00 | 13,421.03 |
| Finance costs | 27 | 9,696.61 | 9,134.19 |
| **Loss before tax (III)** | | **(12,194.48)** | **(16,420.43)** |
| **Tax expense** | 33 | | |
| Current tax | | - | - |
| Deferred tax (net) | | (48.44) | (35.25) |
| **Loss for the year (IV)** | | **(12,146.04)** | **(16,385.18)** |
| **Other comprehensive income** | | | |
| **Items that will not be reclassified subsequently to statement of profit and loss (net of taxes)** | | | |
| Remeasurement of defined benefit plans (net of taxes) | 35 | (316.41) | (65.42) |
| **Other Comprehensive income for the year (V)** | | **(316.41)** | **(65.42)** |
| **Total Comprehensive income for the year [(IV)+(V)]** | | **(12,462.45)** | **(16,450.60)** |
| **Loss for the year attributable to:** | | | |
| Equity holders of the parent company | | (12,146.04) | (16,385.18) |
| Non-controlling interests | | - | - |
| | | **(12,146.04)** | **(16,385.18)** |
| **Other comprehensive income for the year attributable to:** | | | |
| Equity holders of the parent company | | (316.41) | (65.42) |
| Non-controlling interests | | - | - |
| | | **(316.41)** | **(65.42)** |
| **Total comprehensive income for the year attributable to:** | | | |
| Equity holders of the parent company | | (12,462.45) | (16,450.60) |
| Non-controlling interests | | - | - |
| | | **(12,462.45)** | **(16,450.60)** |
| **Earnings per share -** | 28 | | |
| Basic | | **(13.48)** | **(18.97)** |
| Diluted | | **(13.49)** | **(18.99)** |
| [Nominal value per equity share ₹ 5 (March 31, 2021: ₹ 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 S.R. Batliboi & Co. LLP**
Chartered Accountants
Firm registration number - 301003E/E300005

**Kamal Agarwal**
Partner

Membership number - 058652

Place : Kolkata
Date : May 12, 2022

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

**Devendra Chawla**
Chief Executive Officer and Managing Director
DIN: 03586196
Place : Kolkata

**Shashwat Goenka**
Director
DIN: 03486121
Place : Kolkata

**Sanjiv Goenka**
Chairman
DIN: 00074796
Place : Kolkata

**Rahul Nayak**
Whole-time Director
DIN: 06491536
Place : Kolkata

**Rama Kant**
Company Secretary
Place : Kolkata

**Neelesh Bothra**
Chief Financial Officer
Place : Kolkata

Date : May 12, 2022

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

## A. EQUITY SHARE CAPITAL

| | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | No. of shares | ₹ in Lakhs | No. of shares | ₹ in Lakhs |
| **Balance at the beginning of the year** | 9,01,32,009 | 4,506.60 | 7,95,34,226 | 3,976.71 |
| Equity shares allotted pursuant to rights issue (refer note 12(a)) | - | - | 1,05,97,783 | 529.89 |
| **Balance at the end of the year** | **9,01,32,009** | **4,506.60** | **9,01,32,009** | **4,506.60** |

## B. Other equity

| | Reserves and Surplus | | | | | Total |
|---|---|---|---|---|---|---|
| | Securities Premium | Capital reserve | Retained earnings | Share based payment reserve | Treasury Shares | |
| | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs |
| **Balance as at April 01, 2021** | **7,196.57** | **56,133.85** | **(49,122.18)** | **18.63** | **(100.28)** | **14,126.59** |
| Loss for the year | - | - | (12,146.04) | - | - | (12,146.04) |
| Remeasurement of defined benefit plans | - | - | (316.41) | - | - | (316.41) |
| Addition on account of Spencer's Employee Stock Option Plan 2019 (ESOP 2019) (refer note 37) | - | - | - | 14.94 | - | 14.94 |
| **Balance as at March 31, 2022** | **7,196.57** | **56,133.85** | **(61,584.63)** | **33.57** | **(100.28)** | **1,679.08** |

| | Reserves and Surplus | | | | | Total |
|---|---|---|---|---|---|---|
| | Securities Premium | Capital reserve | Retained earnings | Share based payment reserve | Treasury Shares | |
| | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs |
| **Balance as at April 01, 2020** | **-** | **56,133.85** | **(32,716.03)** | **-** | **-** | **23,417.82** |
| Loss for the year | | - | (16,385.18) | - | - | (16,385.18) |
| Remeasurement of defined benefit plans | - | - | (65.42) | - | - | (65.42) |
| Covid - 19 related rent concessions (refer note 30) | | - | 44.45 | - | - | 44.45 |
| Premium on equity shares alloted pursuant to rights issue (refer note 12 (a)) | 7,418.45 | - | - | - | - | 7,418.45 |
| Expenses incurred on account of equity shares issued on rights basis | (221.88) | - | - | - | - | (221.88) |
| Addition on account of Spencer's Employee Stock Option Plan 2019 (ESOP 2019) (refer note 37) | - | - | - | 18.63 | - | 18.63 |
| Treasury Shares (refer note 37) | - | - | - | - | (100.28) | (100.28) |
| **Balance as at March 31, 2021** | **7,196.57** | **56,133.85** | **(49,122.18)** | **18.63** | **(100.28)** | **14,126.59** |

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 S.R. Batliboi & Co. LLP**
Chartered Accountants
Firm registration number - 301003E/E300005

**Kamal Agarwal**
Partner

Membership number - 058652

Place : Kolkata
Date : May 12, 2022

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

**Devendra Chawla**
Chief Executive Officer
and Managing Director
DIN: 03586196
Place : Kolkata

**Shashwat Goenka**
Director

DIN: 03486121
Place : Kolkata

**Sanjiv Goenka**
Chairman

DIN: 00074796
Place : Kolkata

**Rahul Nayak**
Whole-time Director
DIN: 06491536
Place : Kolkata

**Rama Kant**
Company Secretary

Place : Kolkata

**Neelesh Bothra**
Chief Financial Officer

Place : Kolkata

Date : May 12, 2022

# Consolidated Cash Flow Statement

for the year ended March 31, 2022

| Particulars | For the year ended March 31, 2022 ₹ in Lakhs | For the year ended March 31, 2021 ₹ in Lakhs |
|---|---|---|
| **Operating Activities** | | |
| **Loss before tax** | **(12,194.48)** | **(16,420.43)** |
| Adjustments : | | |
| Depreciation and amortisation expense | 12,575.00 | 13,421.03 |
| Provision / (reversal of provisions) for bad and doubtful debts / bad debts | (11.67) | 3,117.29 |
| Provision for doubtful store lease deposits | 14.78 | 195.63 |
| Interest expense on decommissioning liability | 24.44 | 26.61 |
| Provision / (reversal of provisions) for obsolete stocks | (66.70) | 591.98 |
| Interest on non-cumulative non-convertible redeemable preference shares | 10.39 | 9.44 |
| Finance costs | 9,661.78 | 9,098.14 |
| Fair value gain on investments measured at fair value through profit and loss (FVTPL) | (3,789.15) | (1,109.49) |
| Gain on sale of investments | (174.96) | (852.92) |
| Interest income | (526.18) | (604.92) |
| Loss on sale of property, plant and equipment (net) | 71.63 | - |
| Reversal of net liability on termination of lease | (370.12) | (1,062.09) |
| Covid - 19 related rent concessions | (827.76) | (1,018.05) |
| **Cash generated from operations before working capital changes** | **4,397.00** | **5,392.22** |
| **Working capital changes:** | | |
| Decrease/(increase) in inventories | 769.58 | (2,507.85) |
| Decrease in trade receivables | 325.06 | 553.53 |
| Decrease in other financial assets | 14.69 | 458.05 |
| Increase in other assets | (316.66) | (75.75) |
| Increase/(decrease) in trade payables | 245.89 | (4,407.97) |
| Increase in financial liabilities | 61.37 | 483.92 |
| Increase/(decrease) in other current liabilities | 60.67 | (216.38) |
| Increase in contract liabilities | 341.72 | 394.81 |
| (Decrease)/increase in provisions | (514.49) | 107.55 |
| **Cash flow generated from operating activities** | **5,384.83** | **182.13** |
| Income taxes refund/(paid) | 75.39 | (424.95) |
| **Net cash generated from/(used in) operating activities (A)** | **5,460.22** | **(242.82)** |
| **Investing Activities** | | |
| Purchase of property, plant and equipment, including other intangible assets, capital work in progress and capital advances | (2,477.07) | (2,283.91) |
| Proceeds from sale of property, plant and equipment | 75.90 | - |
| Payment towards acquisition of a subsidiary acquired in a business combination | - | (126.80) |
| Investment in alternative investment fund | (75.00) | - |
| Proceeds from alternative investment fund | 143.64 | 806.94 |
| Purchase of mutual fund units | (12,355.00) | (17,260.96) |
| Proceeds from sale of mutual fund units | 10,363.80 | 17,306.94 |
| Investment in bank deposits | (30.00) | (56,213.00) |
| Redemption / maturity of bank deposits | 328.88 | 55,802.30 |
| Interest received | 8.75 | 139.27 |
| **Net cash used in investing activities (B)** | **(4,016.10)** | **(1,829.22)** |
| **Financing Activities** | | |
| Payment of lease liabilities (principal) | (6,401.13) | (5,375.08) |
| Proceeds from issue of share capital (net of issue expenses) | - | 7,726.46 |
| Proceeds from non-current borrowings | 8,850.05 | 1,039.68 |
| Repayment of non-current borrowings | (2,183.33) | (2,128.33) |
| Net movement in current borrowings | 3,891.58 | 7,456.11 |

## Consolidated Cash Flow Statement
for the year ended March 31, 2022 (Contd.)

| **Particulars** | **For the year ended March 31, 2022 ₹ in Lakhs** | **For the year ended March 31, 2021 ₹ in Lakhs** |
|---|---|---|
| Interest paid | (9,606.76) | (9,053.18) |
| **Net cash used in financing activities (C)** | **(5,449.59)** | **(334.34)** |
| **Net decrease in cash and cash equivalents (A+B+C)** | **(4,005.47)** | **(2,406.38)** |
| Cash and cash equivalents at the beginning of the year | 5,690.61 | 8,096.99 |
| **Cash and cash equivalents at the end of the year** | **1,685.14** | **5,690.61** |
| **Components of cash and cash equivalents :** | | |
| Balance with banks | | |
| - In current accounts | 931.30 | 4,892.65 |
| Balance with credit card, e-wallet companies and others | 439.69 | 449.97 |
| Cash on hand | 314.15 | 347.99 |
| **Total cash and cash equivalents (refer note 8)** | **1,685.14** | **5,690.61** |

**Changes in liabilities arising from financing activities :**

₹ in Lakhs

| **Particulars** | **As at April 01, 2021** | **Cash flows Inflow/(outflow)** | **Non-cash changes** | **As at March 31, 2022** |
|---|---|---|---|---|
| Other financial liabilities - Preference shares (refer note 15) | 103.87 | - | 10.39 | 114.26 |
| Non current borrowings (includes current maturities of long term borrowings) | 9,730.72 | 6,666.72 | 9.86 | 16,407.30 |
| Current borrowings (excludes current maturities of long term borrowings) | 15,790.91 | 3,891.58 | - | 19,682.49 |
| Lease Liabilities [refer note 30] | 68,911.22 | (6,401.13) | 8,249.38 | 70,759.47 |

₹ in Lakhs

| **Particulars** | **As at April 01,2020** | **Cash flows Inflow/(outflow)** | **Non-cash changes** | **As at March 31, 2021** |
|---|---|---|---|---|
| Other financial liabilities - Preference shares (refer note 15) | 94.43 | - | 9.44 | 103.87 |
| Non current borrowings (includes current maturities of long term borrowings) | 10,819.37 | (1,088.65) | - | 9,730.72 |
| Current borrowings (excludes current maturities of long term borrowings) | 8,334.80 | 7,456.11 | - | 15,790.91 |
| Lease Liabilities [refer note 30] | 65,725.90 | (5,375.08) | 8,560.40 | 68,911.22 |

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 S.R. Batliboi & Co. LLP**
Chartered Accountants
Firm registration number - 301003E/E300005

**Kamal Agarwal**
Partner

Membership number - 058652

Place : Kolkata
Date : May 12, 2022

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

**Devendra Chawla**
Chief Executive Officer
and Managing Director
DIN: 03586196
Place : Kolkata

**Shashwat Goenka**
Director

DIN: 03486121
Place : Kolkata

**Sanjiv Goenka**
Chairman

DIN: 00074796
Place : Kolkata

**Rahul Nayak**
Whole-time Director
DIN: 06491536
Place : Kolkata

**Rama Kant**
Company Secretary

Place : Kolkata

**Neelesh Bothra**
Chief Financial Officer

Place : Kolkata

Date : May 12, 2022

# Notes to Consolidated financial statements

as at and for the year ended March 31, 2022

## 1. CORPORATE INFORMATION

These Consolidated financial statements ("financial statements") comprise Standalone financial statements of Spencer's Retail Limited ("the Company" or "Parent Company" or "Holding Company") and its subsidiaries (collectively, "the Group") as at and for the year ended March 31, 2022. The Company was incorporated as RP-SG Retail Limited, a public limited company under the provisions of the Companies Act, 2013 ("the Act"), pursuant to a certificate of incorporation dated February 08, 2017, 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 December 13, 2018.

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

Information on the Group's structure is provided in Note 2.1(d).

## 2.1 BASIS OF PREPARATION

### (a) Statement of compliance

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

Accordingly, the Group has prepared these Consolidated financial statements which comprises the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "Consolidated financial statements" or "financial statements").

These financial statements have been prepared in accordance with the accounting policies, set out below and were consistently applied to all periods presented unless otherwise stated.

These financial statements of the Group for the year ended March 31, 2022 were approved for issuance in accordance with the resolution passed by the Board of Directors on May 12, 2022.

The Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are effective from April 01, 2021. These amendments require certain regroupings in the Schedule III format of Balance Sheet. The Group has given effect of such regroupings in these consolidated financial statements including figures for the corresponding previous year wherein:

a) Current maturities of long term debts has been regrouped from "Other financial liabilities" in the Consolidated Financial Statements for FY 2020-21 to "Current Borrowings" in these Consolidated Financial Statements.

b) Security Deposits has been regrouped from "Loans" in the Consolidated Financial Statements for FY 2020-21 to "Other financial assets" in these Consolidated Financial Statements.

### (b) Basis of measurement

The financial statements have been prepared on accrual basis under historical cost convention, except for the following assets and liabilities, which had been measured at fair value as required by the relevant Ind AS:

- Certain Financial Assets and Liabilities (refer accounting policy regarding Financial Instruments);
- Defined Employee Benefit Plans

### (c) Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is also the Parent company functional currency. All amounts have been rounded off to the nearest Lakhs, unless otherwise indicated.

### (d) Basis of Consolidation

The consolidated financial statements have been prepared on the basis of the following:

- standalone financial statements of Spencer's Retail Limited (SRL)
- financial statements of Natures Basket Limited - wholly owned subsidiary of SRL
- financial statements of Omnipresent Retail India Private Limited - wholly owned subsidiary of SRL
- financial statements of Spencer's Employee Benefit Trust – Other Entity controlled by the Holding Company

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

1) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
2) Exposure, or rights, to variable returns from its involvement with the investee, and
3) The ability to use its power over the investee to affect its returns

**Consolidation procedure:**

(i) Combine like items of assets, liabilities, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(iii) Eliminate in full intragroup assets and liabilities, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

**Group Information**

Information about subsidiaries

The consolidated financial statement of the Group includes the subsidiaries listed in the table below:

| Name | Principal Activities | Country of Incorporation | Equity Interest March 31, 2022 | Equity Interest March 31, 2021 |
|---|---|---|---|---|
| Omnipresent Retails India Private Limited | E-Commerce | India | 100% | 100% |
| Natures Basket Limited | Organised retail stores | India | 100% | 100% |
| Spencer's Employee Benefit Trust | Trust established for implementing Spencer's Employee Stock Option Plan, 2019 | India | 100% | 100% |

### (e) Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the years in which the estimate is revised and future years affected.

The information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as given below:

(i) Useful life and residual value of property, plant and equipment and intangible assets - Note 2.2 (c), (e), 3 & 4

(ii) Determining the fair values of investments - Note 2.2(g) & 6

(iii) Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources - Note 2.2 (j), 2.2 (k), 19 & 29 (a)

(iv) Measurement of defined benefit obligations: key actuarial assumptions - Note 2.2(i) & 35

(v) Impairment of financial assets: key assumptions used in estimating recoverable cash flows - Note 2.2 (g) & 38

(vi) Non recognition of deferred tax assets - Note 2.2 (q) & 33

(vii) Discounting rate and lease term for accounting of Right-of-use assets and lease liabilities under Ind AS 116 - Note 2.2(p) & 30

## 2.2 SIGNIFICANT ACCOUNTING POLICIES

### (a) Current and non-current classification

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

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

### (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 year in which they arise.

## (c) Property, plant and equipment (PPE)

### 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 non-refundable duties and taxes, 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. Trade discounts and rebates are deducted from the purchase price. Expenditure incurred in setting up of stores are capitalised as a part of lease hold improvements.

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.

### 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.  Expenditure in respect of improvements, etc. carried out at the rented / leased premises are depreciated over the initial period of lease or useful life of assets, whichever is lower. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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 hardware | 3 to 6 years |
| Furniture and fixtures | 3 to 15 years |
| Vehicles | 5 years |
| Office equipments | 5 years |
| Plant and machineries | 7 to 25 years |

Based on the internal assessment carried out by the in-house technical team, management believes that the residual value and useful lives as given above best represents the period over which management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under part C of schedule II of the Companies Act 2013.

### Capital work in progress (CWIP)

Capital work-in-progress includes cost of property, plant and equipment under installation / under development net off impairment loss, if any, as at the balance sheet date. Directly attributable expenditure incurred on project under implementation are shown under CWIP. At the point when an asset is capable of operating in the manner intended by management, the capital work in progress is transferred to the appropriate category of property, plant and equipment.

## (d) Impairment of non-financial assets

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 recognised 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.

### (e) 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 using straight line method over the period of their expected useful lives. Estimated useful lives of intangible assets are as follows:

| Class of assets | Management estimate of useful life |
|---|---|
| Computer softwares | 6 years to 10 years |
| Know-how and licenses | 10 years |
| Designs | 3 years |
| Brand | Indefinite life |
| Goodwill | Indefinite life |

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

### (f) Inventories

Inventories of traded goods, finished goods and packing materials are valued at lower of cost and net realisable value. Cost of inventories comprises costs of purchase 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.

### (g) Financial instruments

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

### Financial Assets

### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through income statement, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost
- Financial assets designated at fair value through OCI (equity instruments)
- Financial assets at fair value through profit or loss (FVTPL)

### Financial assets at amortised cost

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Group's financial assets at amortised cost includes trade receivables, loans and other financial assets.

### Financial assets designated at fair value through OCI (equity instruments)

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its equity investments in subsidiaries under this category.

### Financial assets at fair value through profit or loss (FVTPL):

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes investments in units of mutual funds, alternative investment fund. It also includes equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on equity investments are recognised in the statement of profit and loss when the right of payment has been established.

### Derecognition:

A financial asset is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement ₹ and either (a) the group has transferred substantially all the risks and rewards of the asset, or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

### Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

In accordance with Ind AS 109, the Group assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost.

The Group considers a financial asset in default when contractual payments are due for a period greater than a predefined period as per management policy. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### Financial Liabilities

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. After initial recognition, Interest-bearing loans and borrowings are measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### 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 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.

### Fair value measurement

The Group measures financial instruments, such as, equity share, mutual funds etc. at fair value at each balance sheet date.

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

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

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

The management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, etc.

### (h) Cash and cash equivalents

Cash and cash equivalent (including for Statement of Cash Flows) comprise cash at banks, cash on hand and short-term deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

### (i) Employee benefits

**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.

**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.

**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.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

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

**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 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.

**Share-based payment arrangement**

Equity-settled share-based payments to eligible employees of the Parent Company are measured at the fair value of the equity instruments/options at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 37. The fair value determined at the grant date of the equity settled share-based payments to eligible employees of the Parent Company is expensed on a straight-line basis over the vesting period, based on the Parent Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity at the end of year. At the end of each year, the Parent Company revisits its estimate of the number of equity instruments expected to vest and recognises any impact in profit or loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share based payment reserve.

The Parent Company has created an Employee Benefit Trust (EBT) for providing share-based payment to its eligible employees. The Parent Company uses the Trust as a vehicle for distributing shares to eligible employees under the Employee Stock Option Plan, 2019. The Trust buys shares of the Parent Company from the market, for giving shares to eligible employees. The group treats shares held by EBT as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from Other Equity. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

## (j) 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.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

**Decommissioning liability**

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

## (k) 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 that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

## (l) Revenue from operations

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 from sale of goods is recognised on delivery of merchandise to the customer, when the property in the goods is transferred for a price, and significant risks and rewards have been transferred and no effective ownership control is retained. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates, Goods and Services tax (GST) and amounts collected on behalf of third parties.

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.

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. Any amounts received for which the Group does not have any separate performance obligation are considered as a reduction of purchase costs.

The Group has contracts with concessionaire whereby it facilitates in the sale of products of these concessionaires. The inventory of the concessionaire does not pass to the Group till the product is sold. At the time of sale of such inventory, the sales value along with the cost of inventory is disclosed separately as sale of goods and cost of goods sold and forms part of Revenue in the Statement of Profit and Loss, only the net revenue earned i.e. margin is recorded as a part of revenue. Thus, the Group is an agent and records revenue at the net amount that it retains for its agency services.

**Loyalty Program**

Sales is allocated between the loyalty programme and the other components of the transaction at fair value. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when the Group has fulfilled its obligations to supply the discounted products under the terms of the programme or when it is no longer probable that the points under the programme will be redeemed.

**Contract liabilities**

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

**Other operating revenue**

Other operating revenue mainly represents recoveries made on account of advertisement for use of space by the customers and other expenses recovered from suppliers. These are recognised and recorded over time or at the point in time based on the arrangements with concerned parties.

### (m) 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.

### (n) Expenses

All expenses are accounted for on accrual basis.

### (o) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

### (p) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements under taken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to its operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

**The Group as a lessee**

The Group's lease asset classes primarily consist of leases for store. The Group assesses whether a contract contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) The Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use assets (ROU) and a corresponding lease liability for all lease arrangements, in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and non-lease components (like maintenance charges, etc.). For these short-term leases and non-lease components, the Group recognises the lease rental payments as an operating expense.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

They are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The present value of the expected cost to be incurred on removal of assets at the time of store closure (referred as "Decommissioning liability") is included in the cost of right-of-use assets.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liabilities are initially measured at the present value of the future lease payments. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expense.

The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates for similar term of borrowing as the leases, for the Group. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**Short-term leases**

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases is recognised as expense on a straight-line basis over the lease term.

**Group as a lessor**

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

### (q) Income tax

**Current Tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses 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.

Deferred tax liabilities are recognised for all taxable temporary differences

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

### (r) Business combination

(i) Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is tested for impairment annually, or more frequently when there is an indication that it may be impaired. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

(ii) 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 given effect to as per the scheme approved by National Company Law Tribunal.

### (s) Compound instrument - non-cumulative non-convertible redeemable preference shares

Non-cumulative non-convertible redeemable preference shares where payment of dividend is discretionary and which are mandatorily redeemable on a specific date, are classified as compound instruments. The fair value of liabilities portion is determined by discounting amount repayable at maturity using market rate of interest. Difference between proceed received and fair value of liability on initial recognition is included in equity, net of tax effects and not remeasured subsequently. Liability component of non-convertible redeemable preference shares are subsequently measured at amortised cost. The interest on these non-convertible redeemable preference shares are recognised in profit or loss as finance costs.

### (t) Segment reporting

Operating segment are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

### (u) Borrowing cost

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

### (v) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders of the Group 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 of the Group and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### (w) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

### (x) Measurement of EBITDA

The Group has elected to present Earnings (including interest income) before Interest expense, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Statement of Profit and Loss.

### (y) New and amended standards

**Amendments to Ind AS 116: Covid-19-Related Rent Concessions**

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. The amendments are applicable for annual reporting periods beginning on or after April 01, 2021.

MCA issued an amendment to Ind AS 116 Covid-19 related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The Group has applied this amendment to annual reporting periods beginning on or after 1 April 2021 in respect of lease agreements where negotiations have been completed and accounted the unconditional rent concessions as per Note 30.

Amendments and interpretations as outlined below apply for the year ended 31 March, 2022, but do not have an impact on the Consolidated Financial Statements.

a. Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

b. Ind AS 103: Business combinations

c. Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

Notes to consolidated financial statements
as at and for the year ended March 31, 2022

## 3. PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

| | Leasehold improvements | Plant and machineries | Computer hardwares | Vehicles | Furniture and fixtures | Office equipments | Total |
|---|---|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | | | |
| **As at April 01, 2020** | **14,181.52** | **6,905.44** | **2,634.03** | **20.24** | **9,235.67** | **309.77** | **33,286.67** |
| Additions during the year | 1,301.14 | 346.21 | 155.78 | - | 541.75 | 18.97 | 2,363.85 |
| Disposals during the year | 39.62 | - | - | - | 12.00 | - | 51.62 |
| **As at March 31, 2021** | **15,443.04** | **7,251.65** | **2,789.81** | **20.24** | **9,765.42** | **328.74** | **35,598.90** |
| Additions during the year | 1,129.88 | 233.21 | 144.09 | - | 614.22 | 8.54 | 2,129.94 |
| Disposals during the year | 128.92 | 260.78 | 42.17 | - | 205.40 | 13.74 | 651.01 |
| **As at March 31, 2022** | **16,444.00** | **7,224.08** | **2,891.73** | **20.24** | **10,174.24** | **323.54** | **37,077.83** |
| **Accumulated depreciation** | | | | | | | |
| **As at April 01, 2020** | **5,248.32** | **2,231.57** | **1,747.72** | **19.15** | **4,093.59** | **79.34** | **13,419.69** |
| Depreciation for the year (refer note 26) | 1,955.50 | 899.17 | 339.53 | 0.19 | 958.08 | 63.22 | 4,215.69 |
| Disposals for the year | 39.62 | - | - | - | 9.12 | - | 48.74 |
| **As at March 31, 2021** | **7,164.20** | **3,130.74** | **2,087.25** | **19.34** | **5,042.55** | **142.56** | **17,586.64** |
| Depreciation for the year (refer note 26) | 1,559.36 | 806.66 | 229.33 | 0.14 | 892.70 | 44.05 | 3,532.24 |
| Disposals for the year | 122.90 | 169.27 | 38.38 | - | 162.07 | 13.05 | 505.67 |
| **As at March 31, 2022** | **8,600.66** | **3,768.13** | **2,278.20** | **19.48** | **5,773.18** | **173.56** | **20,613.21** |
| **Net carrying amount** | | | | | | | |
| **As at March 31, 2022** | **7,843.34** | **3,455.95** | **613.53** | **0.76** | **4,401.06** | **149.98** | **16,464.62** |
| **As at March 31, 2021** | **8,278.84** | **4,120.91** | **702.56** | **0.90** | **4,722.87** | **186.18** | **18,012.26** |

**Note :** Refer note 14 for hypothecation of Property, plant and equipment.

### Capital work in progress

₹ in Lakhs

| | |
|---|---|
| **As at April 01, 2020** | **984.70** |
| Addition during the year | 548.06 |
| Less : Capitalised to Property, plant and equipment and intangible assets during the year | 1,250.17 |
| **As at March 31, 2021** | **282.59** |
| Addition during the year | 809.58 |
| Less : Capitalised to Property, plant and equipment and intangible assets during the year | 294.69 |
| **As at March 31, 2022** | **797.48** |

### CWIP Ageing Schedule

₹ in Lakhs

| | 0-1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|
| **As at March 31, 2022** | | | | | |
| Upcoming stores | 702.80 | 29.45 | 65.23 | - | 797.48 |
| | **702.80** | **29.45** | **65.23** | **-** | **797.48** |
| **As at March 31, 2021** | | | | | |
| Upcoming stores | 213.61 | 68.98 | - | - | 282.59 |
| | **213.61** | **68.98** | **-** | **-** | **282.59** |

## 4. OTHER INTANGIBLE ASSETS & GOODWILL

₹ in Lakhs

| | Computer softwares | Know-how and licenses | Designs | Brands | Goodwill | Total |
|---|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | | |
| **As at April 01, 2020** | **1,601.29** | **257.82** | **319.68** | **19,799.00** | **13,591.51** | **35,569.30** |
| Additions during the year | 158.57 | - | 121.12 | - | - | 279.69 |
| Disposals / other adjustment during the year | - | - | - | - | 464.51 | 464.51 |
| **As at March 31, 2021** | **1,759.86** | **257.82** | **440.80** | **19,799.00** | **13,127.00** | **35,384.48** |
| Additions during the year | 29.49 | - | 83.06 | - | - | 112.55 |
| Disposals during the year | 5.68 | - | - | - | - | 5.68 |
| **As at March 31, 2022** | **1,783.67** | **257.82** | **523.86** | **19,799.00** | **13,127.00** | **35,491.35** |
| **Accumulated amortisation** | | | | | | |
| **As at April 01, 2020** | **980.98** | **226.78** | **91.33** | **-** | **-** | **1,299.09** |
| Amortisation for the year (refer note 26) | 126.50 | - | 128.76 | - | - | 255.26 |
| Disposals for the year | - | - | - | - | - | - |
| **As at March 31, 2021** | **1,107.48** | **226.78** | **220.09** | **-** | **-** | **1,554.35** |
| Amortisation for the year (refer note 26) | 188.82 | - | 154.53 | - | - | 343.35 |
| Disposals for the year | 3.48 | - | - | - | - | 3.48 |
| **As at March 31, 2022** | **1,292.82** | **226.78** | **374.62** | **-** | **-** | **1,894.22** |
| **Net carrying amount** | | | | | | |
| **As at March 31, 2022** | **490.85** | **31.04** | **149.24** | **19,799.00** | **13,127.00** | **33,597.13** |
| **As at March 31, 2021** | **652.38** | **31.04** | **220.71** | **19,799.00** | **13,127.00** | **33,830.13** |

| **Net Book Value** | **As at March 31, 2022** | **As at March 31, 2021** |
|---|---|---|
| | **₹ in Lakhs** | **₹ in Lakhs** |
| Goodwill | 13,127.00 | 13,127.00 |
| Other Intangible Assets | 20,470.13 | 20,703.13 |
| | **33,597.13** | **33,830.13** |

Brands and Goodwill are considered to have an indefinite useful life taking into account that there are no technical, technological or commercial risks of obsolescence or limitations under contract or law.

Brand amounting to ₹ 8,625.00 Lakhs is in respect of the Parent Company and the remaining portion of Brand and Goodwill pertains to acquisition of a subsidiary in earlier years.

The Group tests whether brands and goodwill have suffered any impairment on an annual basis. The recoverable amount has been determined based on value in use for current and previous financial years.

Value in use for Brands and Goodwill has been determined based on relief from royalty method and discounted cash flow method respectively, using future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions.

Basis the assessment, the management has concluded that there is no impairment in respect of Brands and Goodwill.

Notes to consolidated financial statements
as at and for the year ended March 31, 2022

## 5. INVENTORIES

(at the lower of cost and net realisable value)

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| Raw materials | 48.11 | 60.76 |
| Finished goods | 46.88 | 51.44 |
| Stock-in-trade | 25,567.59 | 26,280.83 |
| Packing materials | 378.76 | 351.19 |
| | **26,041.34** | **26,744.22** |

## 6. INVESTMENTS

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| **(i) Non-current** | | |
| Unquoted | | |
| **Investments in equity instruments (At FVTOCI)** | | |
| Retailer's Association of India: 10,000 equity shares (March 31, 2021: 10,000 equity shares) of ₹ 10 each, fully paid up | 1.00 | 1.00 |
| **Investments in equity instruments (At FVTPL)** | | |
| The Saraswat Co-operative Bank Limited: 2,500 equity shares (March 31, 2021: 2,500 equity shares) of ₹ 10 each, fully paid up | 7.36 | 7.36 |
| **Investment in government securities (At amortised cost)** | | |
| National savings certificates | 31.92 | 31.92 |
| **Investment in Alternative Investment Fund (At FVTPL)** | | |
| Fireside Ventures Investment Fund I : 1,323.996 units (March 31, 2021: 1307.196 units) of face value ₹ 100,000 each | 7,261.62 | 3,452.63 |
| | **7,301.90** | **3,492.91** |
| **(ii) Current** | | |
| Quoted | | |
| **Investment in mutual fund (at FVTPL)** | | |
| ICICI Prudential Liquid Fund - Direct Plan - Growth: 659,044.69 Units of ₹ 315.26 each (March 31,March 2021 : Nil) | 2,077.68 | - |
| | **2,077.68** | **-** |

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| Aggregate market value of quoted investments | 2,077.68 | - |
| Aggregate value of unquoted investments | 7,301.90 | 3,492.91 |

Refer note 38 for information about fair value measurements and credit and market risk on investments.

## 7. TRADE RECEIVABLES

(Unsecured)

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| - Considered good | 2,662.96 | 2,976.35 |
| - Significant increase in credit risk | 2,871.56 | 3,010.10 |
| | 5,534.52 | 5,986.45 |
| Impairment allowance: | | |
| - Significant increase in credit risk | (2,871.56) | (3,010.10) |
| | **2,662.96** | **2,976.35** |

## 7. TRADE RECEIVABLES (continued)

**Trade receivables Ageing Schedule**

**As at March 31, 2022**

₹ in Lakhs

| | Current but not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6months -1year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables – considered good | 562.93 | 1,770.70 | - | 322.07 | 0.33 | 6.93 | 2,662.96 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | - | 98.39 | 357.65 | 2,350.87 | 64.65 | 2,871.56 |
| | **562.93** | **1,770.70** | **98.39** | **679.72** | **2,351.20** | **71.58** | **5,534.52** |

**As at March 31, 2021**

₹ in Lakhs

| | Current but not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6months -1year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables – considered good | 260.93 | 2,650.53 | 21.54 | 9.12 | 27.30 | 6.93 | 2,976.35 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | 47.58 | 310.15 | 2,483.88 | 123.28 | 45.21 | 3,010.10 |
| | **260.93** | **2,698.10** | **331.69** | **2,493.00** | **150.58** | **52.14** | **5,986.44** |

Refer note 36 for receivables from related parties.

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

## 8. CASH AND CASH EQUIVALENTS

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| Balance with banks | | |
| - In current accounts | 931.30 | 4,892.65 |
| Balance with credit card, e-wallet companies and others | 439.69 | 449.97 |
| Cash on hand | 314.15 | 347.99 |
| | **1,685.14** | **5,690.61** |

## 9. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| Deposits with original maturity of more than 3 months and less than 12 months | 123.01 | 84.15 |
| | **123.01** | **84.15** |

Notes to consolidated financial statements
as at and for the year ended March 31, 2022

## 10. OTHER FINANCIAL ASSETS

(Unsecured, considered good, unless otherwise stated)

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| **(i) Non-current** | | |
| Security Deposits | | |
| - Considered good | 5,063.59 | 5,082.65 |
| - Significant increase in credit risk | 51.32 | 80.16 |
| - Credit impaired | 223.21 | 191.24 |
| | 5,338.12 | 5,354.05 |
| Impairment allowance: | | |
| - Significant increase in credit risk | (51.32) | (80.16) |
| - Credit impaired | (223.21) | (191.24) |
| | (274.53) | (271.40) |
| | 5,063.59 | 5,082.65 |
| Bank deposits with original maturity of more than 12 months | 57.48 | 57.49 |
| National savings certificates pledged with government authorities # | 15.26 | 15.26 |
| Margin money deposit * | 178.96 | 512.44 |
| Interest accrued on bank deposits | 15.06 | 8.69 |
| | **5,330.35** | **5,676.53** |
| **(ii) Current** | | |
| Security Deposits | | |
| - Considered good | 25.56 | 90.65 |
| - Credit impaired | 55.48 | 55.48 |
| | 81.04 | 146.13 |
| Impairment allowance: | | |
| - Credit impaired | (55.48) | (55.48) |
| | **25.56** | **90.65** |
| **Employee loans and advances** | | |
| - Considered good | 34.82 | 13.09 |
| - Credit impaired | 78.00 | 78.00 |
| | 112.82 | 91.09 |
| Impairment allowance: | | |
| - Credit impaired | (78.00) | (78.00) |
| | **34.82** | **13.09** |
| Interest accrued on bank deposits | 9.96 | 5.37 |
| Advances to employees | 22.65 | 13.37 |
| Other receivables | 105.59 | 155.04 |
| | **198.58** | **277.52** |

# Pledged with excise department.

* Margin money deposit are encumbered with banks against bank guarantees.

## 11. OTHER ASSETS

(Unsecured and considered good)

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| **(i) Non-current** | | |
| Capital advances | 92.10 | 313.52 |
| Prepaid expenses | 4.59 | 2.04 |
| Deposits for claims and tax disputes | 28.45 | 24.56 |
| | **125.14** | **340.12** |

## 11. OTHER ASSETS (continued)

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| **(ii) Current** | | |
| Advances for goods and services | 1,157.02 | 867.33 |
| Prepaid expenses | 469.51 | 513.88 |
| Balance with Statutory / Government authorities | 1,685.01 | 1,620.11 |
| | **3,311.54** | **3,001.32** |

## 12. EQUITY SHARE CAPITAL

| | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | No. of shares | ₹ in Lakhs | No. of shares | ₹ in Lakhs |
| **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 | 9,01,32,009 | 4,506.60 | 9,01,32,009 | 4,506.60 |
| | **9,01,32,009** | **4,506.60** | **9,01,32,009** | **4,506.60** |

* 0.01% non-cumulative non-convertible redeemable preference shares of ₹ 100 each issued are classified as financial liability [refer note 15(i)].

### (a) Reconciliation of the shares outstanding at the beginning and at the end of the year:

| | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | No. of shares | ₹ in Lakhs | No. of shares | ₹ in Lakhs |
| **Equity shares** | | | | |
| At the beginning of the year | 9,01,32,009 | 4,506.60 | 7,95,34,226 | 3,976.71 |
| Equity shares alloted pursuant to rights issue* | - | - | 1,05,97,783 | 529.89 |
| At the end of the year | **9,01,32,009** | **4,506.60** | **9,01,32,009** | **4,506.60** |

* During the previous year ended March 31, 2021, 1,05,97,783 Equity Shares at an issue price of ₹ 75 per Equity Share (including a premium of ₹ 70 per Equity Share) were allotted by way of rights issue to the eligible Equity Shareholders for an amount aggregating to ₹ 7,948.34 Lakhs.

### (b) Rights, preferences and restrictions attached to equity shares:

The Parent 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 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 March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | No. of shares | % | No. of shares | % |
| Rainbow Investments Limited | 3,96,04,042 | 43.94% | 3,96,04,042 | 43.94% |

### (d) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

| | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|---|
| Equity shares of ₹ 5 each allotted as fully paid-up pursuant to the Scheme [(refer note 13(a) & 2.2(r)(ii)] | 7,95,34,226 | 7,95,34,226 | 7,95,34,226 | 7,95,34,226 | - |
| Preference shares of ₹ 100 each allotted as fully paid-up pursuant to the Scheme [(refer note 13(a) & 2.2(r)(ii)] | 5,00,000 | 5,00,000 | 5,00,000 | 5,00,000 | - |

Notes to consolidated financial statements
as at and for the year ended March 31, 2022

## 12. EQUITY SHARE CAPITAL (continued)

### (e) Details of shares held by promoters and promotor group

| Sl No | Name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total shares | % change during the year |
|---|---|---|---|---|---|---|
| **As at March 31, 2022** | | | | | | |
| 1 | Rainbow Investments Limited | 3,96,04,042 | - | 3,96,04,042 | 43.94% | 0.00% |
| 2 | Stel Holdings Limited | 43,96,082 | - | 43,96,082 | 4.88% | 0.00% |
| 3 | Castor Investments Limited | 20,60,661 | 3,30,000 | 23,90,661 | 2.65% | 16.01% |
| 4 | Quest Capital Markets Limited | - | 17,41,508 | 17,41,508 | 1.93% | 100.00% |
| 5 | "PCBL Limited (formerly known as Phillips Carbon Black Limited)" | 11,46,613 | - | 11,46,613 | 1.27% | 0.00% |
| 6 | Saregama India Limited | 8,56,790 | 1,93,800 | 10,50,590 | 1.17% | 22.62% |
| 7 | Integrated Coal Mining Limited | 24,56,247 | - | 24,56,247 | 2.73% | 0.00% |
| 8 | Kolkata Metro Networks Limited | 1,93,800 | (1,93,800) | - | 0.00% | -100.00% |
| 9 | Dotex Merchandise Private Limited | 28,107 | - | 28,107 | 0.03% | 0.00% |
| 10 | Lebnitze Real Estates Private Limited | - | 1,399 | 1,399 | 0.00% | 100.00% |
| 11 | Sanjiv Goenka (HUF) | 8,360 | - | 8,360 | 0.01% | 0.00% |
| 12 | Sanjiv Goenka | 91,659 | - | 91,659 | 0.10% | 0.00% |
| 13 | Shashwat Goenka | 75,756 | - | 75,756 | 0.08% | 0.00% |
| 14 | Preeti Goenka | 17,150 | - | 17,150 | 0.02% | 0.00% |
| 15 | Avarna Jain | 340 | - | 340 | 0.00% | 0.00% |
| | | **5,09,35,607** | **20,72,907** | **5,30,08,514** | **58.81%** | **4.07%** |
| **As at March 31, 2021** | | | | | | |
| 1 | Rainbow Investments Limited | 3,80,32,979 | 15,71,063 | 3,96,04,042 | 43.94% | 4.13% |
| 2 | Stel Holdings Limited | 14,96,082 | 29,00,000 | 43,96,082 | 4.88% | 193.84% |
| 3 | Castor Investments Limited | 12,00,584 | 8,60,077 | 20,60,661 | 2.29% | 71.64% |
| 4 | Phillips Carbon Black Limited | 10,11,718 | 1,34,895 | 11,46,613 | 1.27% | 13.33% |
| 5 | Saregama India Limited | 7,55,992 | 1,00,798 | 8,56,790 | 0.95% | 13.33% |
| 6 | Integrated Coal Mining Limited | 6,45,218 | 18,11,029 | 24,56,247 | 2.73% | 280.68% |
| 7 | Kolkata Metro Networks Limited | 1,71,000 | 22,800 | 1,93,800 | 0.22% | 13.33% |
| 8 | Dotex Merchandise Private Limited | 24,801 | 3,306 | 28,107 | 0.03% | 13.33% |
| 9 | Sanjiv Goenka (HUF) | 7,377 | 983 | 8,360 | 0.01% | 13.33% |
| 10 | Sanjiv Goenka | 80,876 | 10,783 | 91,659 | 0.10% | 13.33% |
| 11 | Shashwat Goenka | 66,844 | 8,912 | 75,756 | 0.08% | 13.33% |
| 12 | Preeti Goenka | 15,133 | 2,017 | 17,150 | 0.02% | 13.33% |
| 13 | Avarna Jain | 300 | 40 | 340 | 0.00% | 13.33% |
| | | **4,35,08,904** | **74,26,703** | **5,09,35,607** | **56.52%** | **17.07%** |

**(f) None of the shares were issued as bonus or bought back since incorporation by the Parent Company.**

## 13. OTHER EQUITY

| | As at March 31, 2022<br>₹ in Lakhs | As at March 31, 2021<br>₹ in Lakhs |
|---|---|---|
| **Capital reserve** | | |
| Balance as at beginning of the year | 56,133.85 | 56,133.85 |
| **Balance as at end of the year (a)** | **56,133.85** | **56,133.85** |
| **Securities premium** | | |
| Balance as at beginning of the year | **7,196.57** | **-** |
| Premium on equity shares alloted pursuant to rights issue (refer note 12 (a)) | - | 7,418.45 |
| Less : Expenses incurred on account of equity shares issued on rights basis | - | (221.88) |
| **Balance as at end of the year (b)** | **7,196.57** | **7,196.57** |

## 13. OTHER EQUITY (continued)

| | As at March 31, 2022<br>₹ in Lakhs | As at March 31, 2021<br>₹ in Lakhs |
|---|---|---|
| **Share based payment reserve** | | |
| Balance as at beginning of the year | **18.63** | **-** |
| Addition on account of ESOP 2019 (refer note 37) | 14.94 | 18.63 |
| **Balance as at end of the year (c)** | **33.57** | **18.63** |
| **Treasury Shares** | | |
| Balance as at beginning of the year | **(100.28)** | **-** |
| Purchase of treasury shares (refer note 37) | - | (100.28) |
| **Balance as at end of the year (d)** | **(100.28)** | **(100.28)** |
| **Retained earnings** | | |
| Balance as at beginning of the year | **(49,122.18)** | **(32,716.03)** |
| Loss for the year | (12,146.04) | (16,385.18) |
| Remeasurement of defined benefit plans | (316.41) | (65.42) |
| Covid - 19 related rent concessions (refer note 30) | - | 44.45 |
| **Balance as at end of the year (e)** | **(61,584.63)** | **(49,122.18)** |
| **Total Other Equity (a) + (b) + (c) + (d) + (e)** | **1,679.08** | **14,126.59** |

**Note :**

(a) The Capital Reserve had arisen pursuant to the composite Scheme of Arrangement amongst the erstwhile Parent Company, CESC Limited and eight other companies and their respective shareholders, as approved by Hon'ble National Company Law Tribunal (NCLT).

(b) The amount received in excess of face value of the equity shares is recognised in securities premium. This reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

(c) The Holding Company has an ESOP 2019 scheme under which options to subscribe for the Parent Company's equity shares have been granted to eligible employees. The share based payment reserve is used to recognise the grant date fair value of such options granted (refer note 37).

(d) For the purpose of ESOP 2019 Scheme, the Parent Company has created Spencer's Employee Benefit Trust (Trust) for distributing shares to eligible employees. The Trust buys shares of the Parent Company from the market, for giving shares to eligible employees. The Group treats shares held by Trust as treasury shares (refer note 37).

(e) Retained earnings are the profits/(loss) that the Group has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Group and eligible for distribution to shareholders, in case where it has positive balance represents net earnings till date.

## 14. BORROWINGS

| | As at March 31, 2022<br>₹ in Lakhs | As at March 31, 2021<br>₹ in Lakhs |
|---|---|---|
| **(i) Non- Current Borrowings** | | |
| (Secured) | | |
| Term Loan from Banks | 13,116.67 | 5,511.50 |
| Less : current maturities of long term borrowings | (2,816.67) | (1,266.80) |
| Less : Unamortised Borrowing Cost | (114.93) | (94.56) |
| | **10,185.07** | **4,150.14** |
| Term Loan from Financial Institutions | 3,437.50 | 4,354.17 |
| Less : current maturities of long term borrowings | (916.67) | (916.67) |
| Less : Unamortised Borrowing Cost | (31.94) | (40.39) |
| | **2,488.89** | **3,397.11** |
| | **12,673.96** | **7,547.25** |

## 14. BORROWINGS (continued)

### 1. Security & other terms

Out of the term loan from banks:

a) ₹ 1,666.67 Lakhs (March 31, 2021 : ₹ 2,333.34 Lakhs) is secured by first Pari Passu charge by way of hypothecation over moveable fixed assets including plant and equipment of the Parent Company and second Pari Passu charge by way of hypothecation on the entire current assets of the Parent Company. The said loan is payable after 9 months from the date of first disbursement in 18 equal quarterly installments of ₹ 166.67 Lakhs each. It carries an interest rate @ 6 Month Marginal Cost of Funds based Lending Rate (MCLR) plus 0.10% p.a. i.e. 7.95% p.a as at year end.

₹ 6,000.00 Lakhs (March 31, 2021 : ₹ 1,128.16 Lakhs ) is secured by first Pari Passu charge by way of hypothecation over moveable fixed assets of the Parent Company and second Pari Passu charge on the entire current assets of the Parent Company. The said loan is payable after 15 months from the date of first disbursement in 20 equal quarterly installments. It carries an interest rate @ 1 year MCLR plus 1.15% p.a. i.e. 8.40% p.a as at year end.

₹ 4,000.00 Lakhs (March 31, 2021 : Nil ) is secured by first Pari Passu charge by way of hypothecation over moveable fixed assets of the Parent Company and second Pari Passu charge on the entire current assets of the Parent Company. The said loan is payable after 12 months from the date of first disbursement in 20 equal quarterly installments. It carries an interest rate @ 6 month MCLR plus 0.55% p.a. i.e. 8.60% p.a as at year end.

b) ₹ 150.00 Lakhs (March 31, 2021: ₹ 350.00 Lakhs) and ₹ 1,300.00 Lakhs (March 31, 2021: ₹ 1,700 Lakhs) pertaining to a subsidiary, are secured by exclusive first charge over the moveable fixed assets of the subsidiary financed out of this term loan. The said loans are payable after 24 months from the date of first disbursement in 60 equal monthly installments. They carry interest rate @ Bank base rate plus 0.05% and 1 year MCLR plus 1.15% i.e. 8.55% p.a. and 9.60% p.a. respectively as at year end.

**Term Loan from Financial Institutions**

c) Term loan from Financial Institutions pertaining to a subsidiary is secured by first charge by way of hypothecation over the entire current assets and moveable fixed assets of the subsidiary financed out of this term loan. The said loan is payable after 12 months from the date of first disbursement in 72 equal monthly installments. It carries an interest rate @ Long Term lending Rate (LTLR) less 10.20 % i.e. 9.05% p.a. as at year end.

₹ in Lakhs

| d) Maturity profile of non current borrowings outstanding as at year end | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Payable within 1 year | 3,733.34 | 2,183.47 |
| Payable between 1 to 3 years | 7,633.33 | 4,567.93 |
| Payable between 3 to 5 years | 4,787.50 | 2,888.77 |
| Payable beyond 5 years | 400.00 | 225.50 |

2. Term loans were applied for the purpose for which the loans were obtained during the year except for idle funds amounting to ₹ 1,001 Lakhs which were not required for immediate utilisation and which have been gainfully invested in highly liquid investments.

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| **(ii) Current Borrowings** | | |
| Working Capital Loan from bank (secured) [refer note (a) below] | 9,500.00 | 4,500.00 |
| Invoice financing facility from bank (secured) [refer note (b) below] | 8,265.13 | 9,315.36 |
| Overdraft facility from bank (unsecured) [refer note (c) below] | 1,917.36 | 1,975.55 |
| Current maturities of long term borrowings | 3,733.34 | 2,183.47 |
| | **23,415.83** | **17,974.38** |

## 14. BORROWINGS (continued)

### 1. Security & other terms

a) ₹ 4,500.00 Lakhs (March 31, 2021 : ₹ 4,500.00 Lakhs ) Working Capital loan is secured by first Pari Passu charge by way of hypothecation over entire current assets of the Parent Company and second Pari Passu charge by way of Hypothecation over entire moveable fixed assets of the Parent Company and carries interest @ 6 Month MCLR plus applicable spread i.e. 8.55% p.a. as at year end payable at monthly rest. It is payable on demand.

₹ 5,000.00 Lakhs (March 31, 2021 : Nil ) Working Capital loan is secured by first Pari Passu charge by way of hypothecation over entire current assets of the Parent Company and second Pari Passu charge by way of Hypothecation over entire moveable fixed assets of the Parent Company and carries interest @ 1 Month MCLR plus applicable spread i.e. 8.55% p.a. as at year end payable at monthly rest. It is payable on demand.

b) Invoice financing facility from Bank is secured by first Pari Passu charge by way of hypothecation over entire current assets of the Parent Company and second Pari Passu charge by way of Hypothecation over moveable fixed assets of the Parent Company. It carries interest at MCLR plus applicable spread (i.e. 9.00% p.a. as at year end). Loan is payable in maximum period of 90 days.

c) Overdraft facility from bank pertaining to a subsidiary carries an interest rate @ 3 months MCLR plus 1.60% i.e. 8.75% p.a. as at year end and is repayable on demand.

2. The Parent Company has obtained secured short term loan from banks on the basis of security of inventories and trade receivables wherein the quarterly returns as filed with banks are in agreement with books except below :

| Quarter ended | Name of bank | Particular of security provided | Amount as per books | Amount as Statement | Reconciling items | Remarks |
|---|---|---|---|---|---|---|
| March 31,2021 | ICICI Bank | Trade receivables | 6,535 | 6,104 | 431 | Reconcilation items are on account of the details being submitted (as per the format provided by the bank) on the basis of provisional books of accounts. Adjustments pertaining to reclass of advances, trade payables etc are done only on finalization of books of accounts / financial statements. |
| March 31,2021 | ICICI Bank | Inventories | 23,582 | 24,736 | (1,154) | Reconcilation items are on account of the details (gross number as per format provided by the bank) being submitted on the basis of provisional books of accounts. Adjustments pertaining to overhead allocation on inventory, provisioning on stock, sale on return inventory etc are done only on finalization of books of accounts / financial statements. |
| March 31,2021 | ICICI Bank | Trade payables | 27,344 | 20,708 | 6,636 | Reconcilation items are on account of the details being submitted (as per the format provided by the bank) on the basis of provisional books / financial statements. Adjustments pertaining to reclass of advances, sale on return inventory, provision for expenses etc are done only on finalization of books of accounts / financial statements. |

## 15. OTHER FINANCIAL LIABILITIES

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| **(i) Non Current** | | |
| **Non-cumulative non-convertible redeemable preference shares** | | |
| 0.01% non-cumulative non-convertible redeemable preference shares of ₹ 100 each: 500,000 shares (March 31, 2021: 500,000 shares) issued pursuant to the Scheme [(refer note 13(a)] | 114.26 | 103.87 |
| | **114.26** | **103.87** |

Notes to consolidated financial statements
as at and for the year ended March 31, 2022

## 15. OTHER FINANCIAL LIABILITIES (continued)

**Rights, preferences and restrictions attached to preference shares :**

The non-cumulative non-convertible 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.

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| **(ii) Current** | | |
| Interest accrued but not due on borrowings | 218.82 | 162.11 |
| Sundry deposits | 376.21 | 350.14 |
| Liability for capital goods | 281.11 | 222.22 |
| Payable to employees | 1,938.62 | 2,011.54 |
| Others | 271.60 | 163.38 |
| | **3,086.36** | **2,909.39** |

## 16. CONTRACT LIABILITIES

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| Advances from customers | 1,400.41 | 1,030.81 |
| Customer Loyalty Program Liabilities | 82.33 | 110.21 |
| | **1,482.74** | **1,141.02** |

## 17. TRADE PAYABLES

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises (refer note 31) | 528.13 | 408.86 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 32,808.74 | 32,682.12 |
| | **33,336.87** | **33,090.98** |

Refer note 36 for dues to related parties.

Micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Group on the basis of the information available with them and the auditors have relied on the same.

**Trade payable Ageing Schedule**

**As at March 31, 2022**

₹ in Lakhs

| | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Total outstanding dues of micro enterprises and small enterprises | 494.09 | 15.03 | 17.73 | 1.28 | 528.13 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 28,349.95 | 2,294.06 | 905.41 | 1,259.32 | 32,808.74 |

## 17. TRADE PAYABLES (continued)

**Trade payable Ageing Schedule** (continued)

**As at March 31, 2021**

₹ in Lakhs

| | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|
| | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | |
| Total outstanding dues of micro enterprises and small enterprises | 389.25 | 18.22 | 1.39 | - | 408.86 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 28,013.72 | 2,415.07 | 1,052.31 | 1,201.02 | 32,682.12 |

## 18. OTHER CURRENT LIABILITIES

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| Statutory dues | 812.41 | 754.10 |
| Others | 244.76 | 242.40 |
| | **1,057.17** | **996.50** |

## 19. PROVISIONS

### (i) Non-current

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| **Provisions for employee benefits :** | | |
| Provision for gratuity (refer note 35) | 670.65 | 400.00 |
| Provision for compensated absences | 478.71 | 472.70 |
| | **1,149.36** | **872.70** |
| **Other provisions :** | | |
| Provision for decommissioning liability [refer note (a) below] | 404.95 | 378.24 |
| | **1,554.31** | **1,250.94** |

### (ii) Current

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| **Provisions for employee benefits :** | | |
| Provision for gratuity (refer note 35) | 17.15 | 21.87 |
| Provision for compensated absences | 229.49 | 15.12 |
| | **246.64** | **36.99** |
| **Other provisions :** | | |
| Provision for tax disputes [refer note (b) below] | 57.81 | 36.47 |
| Provision for claims on leased properties [net of amount deposited - refer note (c) below] | 460.11 | 1,183.05 |
| | **517.92** | **1,219.52** |
| | **764.56** | **1,256.51** |

## 19. PROVISIONS (continued)

**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 :

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| | ₹ in Lakhs | ₹ in Lakhs |
| **Opening balance** | **378.24** | **336.91** |
| Provision created during the year | 2.27 | 14.72 |
| Interest expense during the year | 24.44 | 26.61 |
| **Closing balance** | **404.95** | **378.24** |

(b) The management has estimated the provisions for pending disputes, claims and demands relating to indirect taxes based on it's assessment of probability for these demands crystallizing against the Group in due course.

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| | ₹ in Lakhs | ₹ in Lakhs |
| **Opening balance** | **36.47** | **101.03** |
| Provision created / (reversed) during the year | 21.60 | (34.03) |
| Paid during the year | (0.26) | (30.53) |
| **Closing balance *** | **57.81** | **36.47** |

* Net of deposits as at March 31, 2022 ₹ 29.26 Lakhs (March 31, 2021: ₹ 24.26 Lakhs) made under appeal.

(c) Retailers Association of India (RAI) of which the Group is a member, had 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 had 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 had 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 had already deposited ₹ 460.00 Lakhs and furnished a surety for ₹ 460.00 Lakhs towards the balance service tax liability.

During the year, the Group has settled the said case under Sabka Vishwas – (Legacy Dispute Resolution) Scheme, 2019 and obtained a Discharge Certificate for full and final settlement of tax dues upto the period under dispute. Consequently, the Group has reversed the excess liability in the books.

Further, the Group has also been making provision for service tax on rent from October 2011 onwards, the balance whereof as on March 31, 2022 is ₹ 460.11 Lakhs (March 31, 2021: ₹ 1,183.05 Lakhs).

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| | ₹ in Lakhs | ₹ in Lakhs |
| Balance as at the start and end of year | 1,183.05 | 1,183.05 |
| Provision reversed during the year (refer above) | (722.94) | - |
| **Closing balance** | **460.11** | **1,183.05** |

## 20. REVENUE FROM OPERATIONS

| | For the year ended March 31, 2022 ₹ in Lakhs | For the year ended March 31, 2021 ₹ in Lakhs |
|---|---|---|
| **Revenue from contract with customers** | | |
| Sale of goods | 2,38,572.22 | 2,54,625.29 |
| Sale of concessionaire products | 2,950.06 | 2,617.52 |
| Total | 2,41,522.28 | 2,57,242.81 |
| Less: Goods & Services Tax | (17,944.32) | (21,526.88) |
| Less: Cost of goods sold for concessionaire products | (4,377.92) | (2,041.14) |
| | **2,19,200.04** | **2,33,674.79** |
| Other operating revenue | | |
| -Display Income | 6,351.43 | 5,192.75 |
| -Others | 4,417.15 | 3,939.50 |
| **Total revenue from contract with customers** | **2,29,968.62** | **2,42,807.04** |

## 21. OTHER INCOME

| | For the year ended March 31, 2022 ₹ in Lakhs | For the year ended March 31, 2021 ₹ in Lakhs |
|---|---|---|
| **Interest income on** | | |
| - Bank deposits | 28.53 | 150.56 |
| - Security deposits | 488.03 | 446.06 |
| - Others | 9.62 | 8.30 |
| Gain on sale of investments | 174.96 | 852.92 |
| Fair value gain on investments measured at FVTPL | 3,789.15 | 1,109.49 |
| Reversal of net liability on termination of lease | 370.12 | 1,062.09 |
| Covid - 19 related rent concessions [refer note 2.2(y) & 30] | 827.76 | 1,018.05 |
| Miscellaneous income * | 1,997.88 | 692.39 |
| | **7,686.05** | **5,339.86** |

* includes provision / liabilities no longer required written back.

## 22. COST OF RAW MATERIALS CONSUMED

| | For the year ended March 31, 2022 ₹ in Lakhs | For the year ended March 31, 2021 ₹ in Lakhs |
|---|---|---|
| Inventories at the beginning of the year | 60.76 | 86.62 |
| Purchases during the year | 663.76 | 686.73 |
| | 724.52 | 773.35 |
| Less: Inventories at the end of the year | 48.11 | 60.76 |
| | **676.41** | **712.59** |

## 23. CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

| | For the year ended March 31, 2022 ₹ in Lakhs | For the year ended March 31, 2021 ₹ in Lakhs |
|---|---|---|
| Inventories at the beginning of the year | 26,332.27 | 24,445.68 |
| Less: Inventories at the end of the year | 25,614.47 | 26,332.27 |
| | **717.80** | **(1,886.59)** |

Notes to consolidated financial statements
as at and for the year ended March 31, 2022

## 24. EMPLOYEE BENEFITS EXPENSE

| | For the year ended March 31, 2022 ₹ in Lakhs | For the year ended March 31, 2021 ₹ in Lakhs |
|---|---:|---:|
| Salaries, wages and bonus * | 16,872.46 | 17,173.54 |
| Gratuity defined benefit plan [refer note 35] | 132.93 | 139.57 |
| Contribution to provident and other funds | 1,113.33 | 1,064.37 |
| Staff welfare expenses | 763.81 | 937.52 |
| | **18,882.53** | **19,315.00** |

* Net of ₹ 138.55 Lakhs (March 31, 2021 : ₹ 196.55 Lakhs ) claimed as subsidy under National Apprenticeship Promotion Scheme (NAPS).

## 25. OTHER EXPENSES

| | For the year ended March 31, 2022 ₹ in Lakhs | | For the year ended March 31, 2021 ₹ in Lakhs | |
|---|---:|---:|---:|---:|
| Power and fuel | | 5,028.08 | | 4,869.73 |
| Freight | | 930.63 | | 1,125.01 |
| Rent [refer note 30] | | 2,707.04 | | 2,395.36 |
| Repairs and maintenance | | | | |
| - Buildings | | 307.89 | | 353.69 |
| - Others | | 3,513.93 | | 3,676.08 |
| Insurance | | 232.67 | | 226.75 |
| Rates and taxes | | 486.98 | | 589.11 |
| Advertisement and selling expenses | | 3,807.34 | | 3,704.05 |
| Packing materials consumed | | 746.39 | | 628.72 |
| Travelling and conveyance | | 753.46 | | 556.17 |
| Communication expenses | | 706.77 | | 691.62 |
| Printing and stationery | | 323.38 | | 308.74 |
| Legal and consultancy expenses | | 713.04 | | 715.67 |
| Housekeeping expenses | | 2,546.28 | | 2,790.19 |
| Security expenses | | 1,830.82 | | 1,854.25 |
| Provision for doubtful store lease deposit | | 14.78 | | 250.41 |
| Provision for bad & doubtful debts (net) | | | | |
| - Bad debts written off | 833.70 | | 599.76 | |
| - (Adjustment) / Creation: Provision for bad and doubtful debt | (845.37) | (11.67) | 2267.12 | 2,866.88 |
| Loss on sale of property, plant and equipment (net) | | 71.63 | | - |
| Miscellaneous expenses | | 1,683.44 | | 1,868.07 |
| | | **26,392.88** | | **29,470.50** |

## 26. DEPRECIATION AND AMORTISATION EXPENSE

| | For the year ended March 31, 2022 ₹ in Lakhs | For the year ended March 31, 2021 ₹ in Lakhs |
|---|---:|---:|
| Depreciation of property, plant and equipment (refer note 3) | 3,532.24 | 4,215.69 |
| Depreciation on right-of-use assets (refer note 30) | 8,699.41 | 8,950.08 |
| Amortisation of other intangible assets (refer note 4) | 343.35 | 255.26 |
| | **12,575.00** | **13,421.03** |

## 27. FINANCE COSTS

| | For the year ended March 31, 2022<br>₹ in Lakhs | For the year ended March 31, 2021<br>₹ in Lakhs |
|---|---|---|
| Interest expense on | | |
| - Borrowings | 2,862.05 | 1,902.06 |
| - Lease liabilities (refer note 30) | 6,172.89 | 6,365.92 |
| - Non-cumulative non-convertible redeemable preference shares | 10.39 | 9.44 |
| - Decommissioning liability | 24.44 | 26.61 |
| - Others | 23.14 | 21.71 |
| Other costs | 603.70 | 808.45 |
| | **9,696.61** | **9,134.19** |

## 28. EARNING PER SHARE (EPS)

Basic and diluted EPS have been calculated by dividing the loss for the year attributable to equity shareholders of the Group by the weighted average number of Equity shares outstanding during the year.

| | | For the year ended March 31, 2022<br>₹ in Lakhs | For the year ended March 31, 2021<br>₹ in Lakhs |
|---|---|---|---|
| Loss for the year (A) (₹ in Lakhs) | | (12,146.04) | (16,385.18) |
| Weighted average number of equity shares for Basic EPS (B) | | 9,01,32,009 | 8,63,84,516 |
| Effect of dilution : | | | |
| Weighted average number of treasury shares held through ESOP trust (refer note (i) below) | | 1,20,000 | 1,20,000 |
| Weighted average number of equity shares adjusted for the effect of dilution (C) | | 9,00,12,009 | 8,62,64,516 |
| Earnings per share (face value of ₹ 5 each) (₹) | | | |
| - Basic | (A) / (B) | (13.48) | (18.97) |
| - DIluted | (A) / (C) | (13.49) | (18.99) |

(i) For details regarding treasury shares held through ESOP trust (refer note 13(d) and 37).

## 29. COMMITMENTS AND CONTINGENCIES

### (a) Contingent liabilities

| | | As at March 31, 2022<br>₹ in Lakhs | As at March 31, 2021<br>₹ in Lakhs |
|---|---|---|---|
| Contingent liabilities not provided for in respect of: | | | |
| (i) | Sales Tax / Value Added Tax (VAT) / Goods and Services Tax demands (GST) under appeal | 475.30 | 2,093.52 |
| (ii) | Claims against the Group not acknowledged as debt | 4,452.45 | 4,789.60 |

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated February 28, 2019. As a matter of caution, the Group has made a provision on a prospective basis from the date of the SC order. The Group will update its provision, on receiving further clarity on the subject.

### (b) Commitments

| | | As at March 31, 2022<br>₹ in Lakhs | As at March 31, 2021<br>₹ in Lakhs |
|---|---|---|---|
| (i) | Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) | 141.01 | 257.79 |
| (ii) | for Investments - Others | 97.50 | 172.50 |

## 30. IND AS - 116 LEASES

**The movement in right-of-use ("ROU") assets and lease liabilities is as below :**

**Right-of-use Assets :**

| Particulars | Buildings<br>As at<br>March 31, 2022<br>₹ in Lakhs | Buildings<br>As at<br>March 31, 2021<br>₹ in Lakhs |
|---|---|---|
| **Opening Balance** | 53,482.61 | 51,351.14 |
| Additions [refer note (i) below] | 12,028.06 | 14,313.67 |
| Deletions [refer note (ii) below] | (1,991.97) | (3,232.12) |
| Depreciation (refer note 26) | (8,699.41) | (8,950.08) |
| **Closing Balance** | **54,819.29** | **53,482.61** |

(i) Includes ₹ 698.86 Lakhs (March 31, 2021 : ₹ 608.71 Lakhs) on account of prepaid expenses on fair valuation of security deposits.

(ii) Includes ₹ 121.58 Lakhs (March 31, 2021 : ₹ 212.15 Lakhs) pertaining to reversal of prepaid expenses (recognised on fair valuation of security deposits) on termination of leases.

**Lease Liabilities :**

| Particulars | As at<br>March 31, 2022<br>₹ in Lakhs | As at<br>March 31, 2021<br>₹ in Lakhs |
|---|---|---|
| **Opening Balance** | 68,911.22 | 65,725.90 |
| Additions | 11,329.20 | 13,704.96 |
| Interest expenses incurred for the year (refer note 27) | 6,172.89 | 6,365.92 |
| Deletions | (2,240.51) | (4,082.05) |
| Covid - 19 related rent concessions [refer note (iii) below] | (827.76) | (1,062.50) |
| Payment of lease liabilities [refer note (iv) below] | (12,574.02) | (11,741.01) |
| **Closing Balance** | **70,771.02** | **68,911.22** |

(iii) The Ministry of Corporate Affairs vide notification dated July 24, 2020 and June 18, 2021, issued an amendment to Ind AS: 116 ""Leases"", by inserting a practical expedient with respect to "Covid-19 Related Rent Concessions" effective from the period beginning on or after April 01, 2020. Pursuant to the above amendment, the Group has applied the practical expedient in respect of lease agreements where negotiations have been completed and accounted the unconditional rent concessions of ₹ 827.76 Lakhs (March 31, 2021 : ₹ 1018.05 Lakhs in ""Other income"" (refer note 21). The Group has also accounted for Nil (March 31, 2021 : ₹ 44.45 Lakhs) in ""Retained Earnings"" (refer note 13), against unconditional rent concessions received pertaining to period before April 01, 2020.

The Group has further adjusted rent concessions amounting to ₹ 92.33 Lakhs (March 31, 2021 : ₹ 265.68 Lakhs) during the year ended March 31, 2022, for stores with variable lease payments in ""Other expenses"" (refer note 25) in the Statement of Profit and Loss.

(iv) Includes ₹ 6,172.89 Lakhs (March 31, 2021 : ₹ 6,356.92 Lakhs) on account of interest expenses.

(v) The following is the break-up of current and non-current lease liabilities

| Particulars | As at<br>March 31, 2022<br>₹ in Lakhs | As at<br>March 31, 2021<br>₹ in Lakhs |
|---|---|---|
| Current lease liabilities | 8,719.53 | 8,832.16 |
| Non-current lease liabilities | 62,051.49 | 60,079.06 |
| **Total** | **70,771.02** | **68,911.22** |

## 30. IND AS - 116 LEASES (continued)

(vi) The table below provides details regarding the contractual maturities of lease liabilities as at year end on an undiscounted basis:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---:|---:|
| | ₹ in Lakhs | ₹ in Lakhs |
| Less than one year | 14,606.67 | 14,582.48 |
| One to five years | 41,524.58 | 40,741.47 |
| More than five years | 60,128.85 | 54,130.72 |
| **Total** | **1,16,260.10** | **1,09,454.67** |

(vii) The effective discount rate for lease liabilities is 8.76% p.a. - 10.00% p.a.

(viii) The table below provides details of amount recognised in Statement of profit and loss :

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---:|---:|
| | ₹ in Lakhs | ₹ in Lakhs |
| Depreciation on Right-of-use assets (refer note 26) | 8,699.41 | 8,950.08 |
| Interest expenses on lease liabilities (refer note 27) | 6,172.89 | 6,365.92 |
| Rental expenses (excluding taxes) recorded for short term leases (refer note 25) | 339.60 | 630.65 |
| Rental expenses (excluding taxes) recorded for variable leases (refer note 25) | 1,685.53 | 1,179.20 |
| **Total** | **16,897.43** | **17,125.85** |

(ix) The Group had total cash outflows for leases of ₹ 14,599.15 Lakhs for the year ended March 31, 2022 (March 31, 2021 - ₹ 13,151.22 Lakhs).

## 31. INFORMATION RELATING TO MICRO, SMALL AND MEDIUM ENTERPRISES (MSME):

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---:|---:|
| | ₹ in Lakhs | ₹ in Lakhs |
| (i) The principal amount and interest due there on remaining unpaid to suppliers under Micro, Small and Medium Enterprises Development Act, 2006 as at the end of each accounting year | | |
| Principal | 488.91 | 380.26 |
| Interest | 5.70 | 1.43 |
| (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 | 198.73 | 362.03 |
| Interest | 4.92 | 12.36 |
| (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. | 28.60 | 14.81 |
| (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 | 39.22 | 28.60 |

## 32. CONTRACT BALANCES UNDER IND AS 115

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---:|---:|
| | ₹ in Lakhs | ₹ in Lakhs |
| Trade receivables | 2,662.96 | 2,976.35 |
| Contract liabilities | 1,482.74 | 1,141.02 |

Trade receivables are non-interest bearing and are generally on terms of 15 to 90 days.

Contract liabilities include advances received from customers against sale of gift cards and prepaid cards. It also includes customer loyalty points not yet redeemed.

## 33. DEFERRED TAX ASSETS/(LIABILITIES) (NET)

| | | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|---|
| (a) | **Deferred tax relating to assets and liabilities:** | | |
| | **-Deferred tax liabilities** | | |
| | Property, plant & equipment and other intangible assets | (1,831.96) | (1,870.88) |
| | Unamortised borrowings costs | (49.19) | - |
| | Fair value gain on investment | (2,074.84) | (749.70) |
| | Right-of-use assets | (18,565.74) | (18,251.92) |
| | **Total** | **(22,521.74)** | **(20,872.50)** |
| | **-Deferred tax assets** | | |
| | Carry forward business losses / unabsorbed depreciation | 51,593.97 | 51,010.13 |
| | Disallowance under Tax Laws | 553.82 | 370.84 |
| | Lease Liabilities | 23,908.50 | 23,410.52 |
| | MAT (Minimum Alternative Tax) credit entitlement | 141.34 | 141.34 |
| | Others | 2,456.74 | 2,748.76 |
| | **Total** | **78,654.36** | **77,681.59** |
| | | | |
| | **-Deferred tax assets (net)** | **56,132.62** | **56,809.09** |
| | **-Unrecognised Deferred tax assets (net)*** | **58,217.88** | **58,942.79** |
| | **-Recognised Deferred tax asset/ (liability) as per consolidated balance sheet**** | **(2,085.26)** | **(2,133.70)** |

* Deferred tax asset has not been recognised in the consolidated 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 to be recovered.

** Deferred tax liabilities recognised in the consolidated balance sheet represents deferred tax on acquisition through business combination.

**Movement in deferred tax assets/(liabilities) (net)**

| | As at March 31, 2022 ₹ in Lakhs | As at March 31, 2021 ₹ in Lakhs |
|---|---|---|
| **As at the beginning of the year** | **(2,133.70)** | **(2,168.95)** |
| **(Charged)/credited:** | | |
| - to Consolidated Statement of Profit & Loss | 48.44 | 35.25 |
| **As at the end of the year** | **(2,085.26)** | **(2,133.70)** |

| | | For the year ended March 31, 2022 ₹ in Lakhs | For the year ended March 31, 2021 ₹ in Lakhs |
|---|---|---|---|
| (b) | **Tax expenses recognised in the Consolidated Statement of Profit & Loss** | | |
| | **Current Tax:** | | |
| | Current Tax on taxable income for the year | - | - |
| | Deferred tax | 48.44 | 35.25 |
| | **Total income tax expense** | **48.44** | **35.25** |
| (c) | **Reconciliation of tax expense and the accounting profit** | | |
| | Loss before tax | (12,194.48) | (16,420.43) |
| | Tax rate applicable to the Group | 34.94% | 34.94% |
| | **Tax amount computed using applicable tax rate** | (4,261.24) | (5,737.96) |
| | **Tax effect of amounts which are not deductible (taxable) in calculating taxable income:** | | |
| | Expenses Disallowed under Income Tax Laws | 31.29 | 28.71 |
| | Difference in tax rate for certain entities of the group | 215.59 | 219.53 |
| | Deferred Tax assets not recognised | 3,965.92 | 5,454.47 |
| | **Total income tax expense** | **(48.44)** | **(35.25)** |
| | **Effective Tax rate** | **0.40%** | **0.21%** |

## 33. DEFERRED TAX ASSETS/(LIABILITIES) (NET) (continued)

(d) The Group has tax losses of ₹ 87,024.22 Lakhs ( March 31, 2021 : ₹ 89,175.34 Lakhs) and unabsorbed depreciation of ₹ 69,276.37 Lakhs ( March 31, 2021 : ₹ 65,397.98 Lakhs) as at year end. Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

(e) MAT credits entitlements are taxes paid to tax authorities which can be offset against future tax liabilities, subject to certain restrictions, within a period of 15 years from the year of origination. The Group recognises MAT assets only to the extent it expects to realise the same within the prescribed period. The Group has not recognised MAT assets in the absence of reasonable certainty. The expiry date of Unrecognised MAT credit of ₹ 141.34 Lakhs is 12 years (March 31, 2021: 13 years).

## 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. There are no customers contributing more than 10% of Revenue from operations.

## 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 :

| | | For the year ended March 31, 2022 ₹ in Lakhs | For the year ended March 31, 2021 ₹ in Lakhs |
|---|---|---|---|
| (a) | **Reconciliation of present value of defined benefit obligations** | | |
| | **Balance at the beginning of the year** | **713.46** | **575.01** |
| | Current service cost | 132.93 | 139.57 |
| | Interest cost | 42.68 | 36.29 |
| | Benefits paid | (209.47) | (103.83) |
| | Actuarial loss on defined benefit obligations | 309.37 | 66.42 |
| | **Balance at the end of the year** | **988.97** | **713.46** |
| | | | |
| (b) | **Reconciliation of fair value of plan assets** | | |
| | **Balance at the beginning of the year** | **291.59** | **220.52** |
| | Interest income | 19.54 | 15.26 |
| | Contributions by employer | 206.55 | 158.64 |
| | Benefits paid | (209.47) | (103.83) |
| | Actuarial gain / (loss) | (7.04) | 1.00 |
| | **Balance at the end of the year** | **301.17** | **291.59** |
| | | | |
| (c) | **Net defined benefit liabilities** | | |
| | Present value of defined benefit obligations | 988.97 | 713.46 |
| | Fair value of plan assets | (301.17) | (291.59) |
| | **Net defined benefit liabilities [refer note 19]** | **687.80** | **421.87** |
| | | | |
| (d) | **Expense recognised in Statement of Profit or Loss** | | |
| | Current service cost | 132.93 | 139.57 |
| | Interest cost | 42.68 | 36.29 |
| | Interest income | (19.54) | (15.26) |
| | | **156.07** | **160.60** |

Notes to consolidated financial statements
as at and for the year ended March 31, 2022

## 35. ASSETS AND LIABILITIES RELATING TO EMPLOYEE DEFINED BENEFITS (continued)

| | | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|
| | | ₹ in Lakhs | ₹ in Lakhs |
| **(e)** | **Remeasurement recognised in Other Comprehensive Income** | | |
| | Actuarial loss on defined benefit obligations | 309.37 | 66.42 |
| | Actuarial (gain) / loss on plan assets | 7.04 | (1.00) |
| | | **316.41** | **65.42** |
| | | | |
| **(f)** | **The major category of plan assets as a percentage of the fair value of total plan assets are as follows :** | | |
| | Investments with insurer | 100% | 100% |
| | | | |
| **(g)** | **Actuarial assumptions** | | |
| | | | |
| | Discount rate | 5.80% to 7.10% | 6.86% to 6.95% |
| | Expected rate of return on assets | 6.95% to 7.10% | 6.86% to 6.95% |
| | Future compensation growth | 4.60% to 6.00% | 4.60% to 6.00% |
| | Average expected future service | 27 to 30 years | 12 to 27 years |
| | Employee turnover | Ranging grade wise from 8% to 71% | Ranging grade wise from 8% to 71% |

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality ((2006-08) (modified) - 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 Group expects to contribute ₹ 246.97 Lakhs (March 31, 2021 : ₹ 197.40 Lakhs) to gratuity fund in the next year.

### (j) 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:

| Change in rate | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs | ₹ in Lakhs |
| (i) Discount rate (0.5% movement) | (17.50) | 16.58 | (48.46) | 52.52 |
| (ii) Future salary (0.5% movement) | 17.05 | (18.10) | 51.13 | (47.47) |
| (iii) Mortality (10% movement) | (1.01) | (0.55) | 0.24 | (1.13) |
| (iv) Attrition rate (0.5% movement) | (1.55) | (0.02) | (2.26) | 1.44 |

### (k) Risk Exposure

**Through its defined benefit plans, the Company is exposed to some risks, the most significant of which are detailed below:**

(i) Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

(ii) Salary Inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.

(iii) Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

## 35. ASSETS AND LIABILITIES RELATING TO EMPLOYEE DEFINED BENEFITS (continued)

### (l) Estimated future payments of undiscounted gratuity is as follows :

| **Particulars** | **As at March 31, 2022**<br>**₹ in Lakhs** | **As at March 31, 2021**<br>**₹ in Lakhs** |
|---|---:|---:|
| Within 12 months | 246.97 | 1.29 |
| Between 1 to 5 years | 776.40 | 5.74 |
| Between 6 to 10 years | 663.90 | 11.83 |
| Beyond 10 years | 443.49 | 521.78 |
| | **2130.76** | **540.64** |

## 35.1 DEFINED CONTRIBUTION PLAN

The Group makes contribution to provident fund and national pension scheme towards retirement benefit plan for eligible employees. Under the said plan, the Group is required to contribute a specified percentage of the employee's salaries to the fund benefits. During the year, based on applicable rates, the Group has contributed and charged ₹ 908.26 Lakhs (March 31, 2021 : ₹ 845.08 Lakhs) in the Consolidated Statement of Profit and Loss.

## 36. RELATED PARTY DISCLOSURE

### (i) Parent under de facto control as defined in Ind AS - 110

| | | | |
|---|---|---|---|
| | | 1) | Rainbow Investments Limited |

### (ii) Entities under common control (where transactions have taken place during the year / balances outstanding) :

| | | | |
|---|---|---|---|
| 1) | Au Bon Pain Café India Limited | 12) | Saregama India Limited |
| 2) | Bowlopedia Restaurants India Limited | 13) | Integrated Coal Mining Limited |
| 3) | CESC Limited | 14) | Haldia Energy Limited |
| 4) | Firstsource Solutions Limited | 15) | Great Wholesale Club Limited - Gratuity fund |
| 5) | Guiltfree Industries Limited | 16) | ATK - Mohan Bagan Private Limited |
| 6) | Kolkata Games and Sports Private Limited | 17) | Herbolab India Private Limited |
| 7) | Open Media Network Private Limited | 18) | Noida Power Company Limited |
| 8) | PCBL Limited (Formerly known as Phillips Carbon Black Limited) | 19) | Woodland Multispeciality Hospitals Private Limited |
| 9) | Quest Properties India Limited | 20) | PCBL (TN) Limited |
| 10) | RPG Power Trading Co Limited | 21) | Open Media Network Private Limited |
| 11) | RPSG Resource Private Limited (Formerly known as Accurate Commodeal Private Limited) | 22) | Duncan Brothers & Co. Limited |

### (iii) Key Managerial Personnel

| | | | |
|---|---|---|---|
| 1) | Sanjiv Goenka - Non-Executive Director and Chairman | 8) | Rahul Nayak - Whole-time Director |
| 2) | Shashwat Goenka - Non-Executive Director | 9) | Kumar Tanmay - Chief Financial Officer (upto October 5, 2021) |
| 3) | Utsav Parekh - Independent Director | 10) | Neelesh Bothra - Chief Financial Officer (w.e.f. February 9, 2022) |
| 4) | Pratip Chadhuri - Independent Director | 11) | Rama Kant - Company Secretary |
| 5) | Rekha Sethi - Independent Director | | |
| 6) | Debanjan Mandal - Independent Director | | |
| 7) | Devendra Chawla - Chief Executive Officer & Managing Director | | |

Notes to consolidated financial statements
as at and for the year ended March 31, 2022

## 36. RELATED PARTY DISCLOSURE (continued)

### (iv) Details of transactions entered into with the related parties:

₹ in Lakhs

| Particulars | Entities under common control | | Key Managerial Personnel | | Parent under de facto control as defined in Ind AS - 110 | |
|---|---|---|---|---|---|---|
| | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| **Transactions :** | | | | | | |
| Sale of goods | 539.65 | 405.33 | - | - | - | - |
| Purchases of stock-in-trade | 262.15 | 319.96 | - | - | - | - |
| Purchase of Property and other Assets | - | 4.68 | - | - | - | - |
| Rendering of services | 1,173.17 | 1,394.56 | - | - | - | - |
| Contribution for Gratuity fund | 200.00 | 158.64 | - | - | - | - |
| Receiving of services | 20.66 | 2.55 | - | - | - | - |
| Remittance | 238.16 | 65.36 | - | - | - | - |
| Electricity expenses | 302.70 | 271.10 | - | - | - | - |
| Royalty paid | 59.00 | - | - | - | - | - |
| Recovery of expenses incurred | 5.57 | 30.05 | - | - | - | - |
| Rent expenses | 904.74 | 694.56 | - | - | - | - |
| Balances written back | 31.57 | - | - | - | - | - |
| Balances written off | 38.04 | - | - | - | - | - |
| Security deposits paid | - | 4.06 | - | - | - | - |
| Short term employee benefits | - | - | 1,103.41 | 1,300.46 | - | - |
| Retirement benefits | - | - | 32.94 | 33.16 | - | - |
| Reimbursement of expenses | - | - | 42.60 | 41.40 | - | - |
| Sitting fees to directors | - | - | 45.50 | 50.50 | - | - |
| Equity shares allotted pursuant to rights issue | - | 1,535.04 | - | 14.77 | - | 1,178.30 |
| **Balances outstanding :** | | | | | | |
| Receivable against sale of goods | 49.36 | 468.80 | - | - | - | - |
| Payable for purchases of stock-in-trade | 38.29 | 74.16 | - | - | - | - |
| Receivable against reimbursement | 11.52 | 53.65 | - | - | - | - |
| Payable for services received | 0.25 | 108.17 | - | - | - | - |
| Advance for goods and services | 34.20 | - | | | | |
| Payable for Remittances | 242.95 | 587.43 | - | - | - | - |
| Security deposit receivable | 151.20 | 146.62 | - | - | - | - |
| Security deposit payable | - | 36.62 | - | - | - | - |

**Notes:**

(i) The Group's principal related parties consist of Rainbow Investments Limited 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.

## 36. RELATED PARTY DISCLOSURE (continued)

(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 employees benefits are lump sum amounts provided on the basis of actuarial valuation the same is not included above.

(iii) The Group has recognised an expenses of ₹ 14.94 Lakhs (March 31, 2021 : ₹ 18.63 Lakhs ) towards employee stock options granted to Key Managerial Personnel. The same has not been considered as managerial remuneration of the current year as defined under Section 2(78) of the Companies Act, 2013 as the options have not been exercised (refer note 37).

## 37. SHARE BASED PAYMENTS

### Spencer's Employee Stock Option Plan 2019 (ESOP 2019)

The details of an employee share based payments plan operated through a trust for ESOP 2019 are as follows:

The ESOP 2019 plan was approved by the shareholders at the 2nd Annual General Meeting of the Parent Company held in the year 2019. Under the scheme, stock options has been granted to eligible employees at an exercise price of ₹ 83.57 per share and their stock options would vest in tranches from the date of grant (i.e June 26, 2020) and shall be exercised within a period of five years from the date of the vesting of the options. For the purpose of this scheme, the Parent Company has created an Spencer's Employee Benefit Trust (ESOP Trust). The Parent Company purchases equity shares from the open market under the ESOP Trust. Such equity shares held by the ESOP Trust are treated as treasury shares in the consolidated financial statements.

### A Details of period within which options will be vested

| Period within which options will vest | % of options that will vest |
|---|---|
| End of 12 months from date of grant | 25% |
| End of 24 months from date of grant | 25% |
| End of 36 months from date of grant | 25% |
| End of 48 months from date of grant | 25% |

### B. Measurement of Fair Values

**Equity-settled share based payment arrangements**

The fair value of the options and the inputs used in the measurement of the grant date fair values of the equity-settled share based payment plan are as follows:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| | ₹ in Lakhs | ₹ in Lakhs |
| Weighted average fair value of Option at Grant Date* | 39.96 | 39.96 |
| Share Price at Grant Date | 88.20 | 88.20 |
| Exercise Price | 83.57 | 83.57 |
| Expected Volatility | 40.69% - 40.71% | 40.69% - 40.71% |
| Expected life | 3.5 years - 6.5 years | 3.5 years - 6.5 years |
| Expected dividends | - | - |
| Risk-free Interest Rate (based on Government Bonds) | 4.64% - 5.72% | 4.64% - 5.72% |

Expected volatility has been based on an evaluation of the historical volatility of comparable companies.

Expected life of the options has been calculated to be the average of the maximum life and the minimum life of the option as it has been granted to higher level management.

*The fair value of option on the date of grant has been done by an independent valuer appointed by the management using the Black Scholes Merton Model.

## 37. SHARE BASED PAYMENTS (continued)

### C. Reconciliation of the Outstanding Share Options

**The number and weighted average exercise prices of share options under the ESOP 2019 plan are as follows :**

₹

| Particulars | Exercise Price per Option | Number of Options |
|---|---|---|
| **Outstanding as on April 01, 2021** | 83.57 | 1,20,000 |
| Granted during the year | - | - |
| Forfeited during the year | - | - |
| Exercised during the year | - | - |
| **Outstanding as on March 31, 2022** | 83.57 | 1,20,000 |
| Exercisable as on March 31, 2022 | - | - |
| Vested as on March 31, 2022 | 83.57 | 30,000 |
| **Outstanding as on April 01, 2020** | - | - |
| Granted during the year | 83.57 | 1,20,000 |
| Forfeited during the year | - | - |
| Exercised during the year | - | - |
| **Outstanding as on March 31, 2021** | 83.57 | 1,20,000 |
| Exercisable as on March 31, 2021 | - | - |
| Vested as on March 31, 2021 | - | - |

### D. Expenses arising from equity settled share based payments transactions :

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| | ₹ in Lakhs | ₹ in Lakhs |
| Amount recognised in statement of profit and loss | 14.94 | 18.63 |

## 38. FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENTS AND RISK MANAGEMENT

### (a) Accounting classification

The following table shows the carrying values and fair values of financial assets and financial liabilities:

₹ in Lakhs

| | As at March 31, 2022 | | | | As at March 31, 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | At Cost/ Amortised Cost | FVTPL | FVTOCI | Total | At Cost/ Amortised Cost | FVTPL | FVTOCI | Total |
| **Financial assets** | | | | | | | | |
| Investments | | | | | | | | |
| - Equity shares (unquoted) | - | 7.36 | 1.00 | **8.36** | - | 7.36 | 1.00 | **8.36** |
| - Alternative Investment Fund | - | 7,261.62 | - | **7,261.62** | - | 3,452.63 | - | **3,452.63** |
| - Government Securities | 31.92 | - | - | **31.92** | 31.92 | - | - | **31.92** |
| - Mutual Fund | - | 2,077.68 | - | **2,077.68** | - | - | - | **-** |
| Trade receivables | 2,662.96 | - | - | **2,662.96** | 2,976.35 | - | - | **2,976.35** |
| Cash and cash equivalents | 1,685.14 | - | - | **1,685.14** | 5,690.61 | - | - | **5,690.61** |
| Bank balances other than cash and cash equivalents | 123.01 | - | - | **123.01** | 84.15 | - | - | **84.15** |
| Other financial assets | 5,528.93 | - | - | **5,528.93** | 5,954.05 | - | - | **5,954.05** |
| **Total financial assets** | **10,031.96** | **9,346.66** | **1.00** | **19,379.62** | **14,737.08** | **3,459.99** | **1.00** | **18,198.07** |
| **Financial liabilities** | | | | | | | | |
| Preference shares | 114.26 | - | - | **114.26** | 103.87 | - | - | **103.87** |
| Borrowings | 36,089.79 | - | - | **36,089.79** | 25,521.63 | - | - | **25,521.63** |
| Lease liabilities | 70,771.02 | - | - | **70,771.02** | 68,911.22 | - | - | **68,911.22** |
| Trade payables | 33,336.87 | - | - | **33,336.87** | 33,090.98 | - | - | **33,090.98** |
| Other financial liabilities | 3,086.36 | - | - | **3,086.36** | 2,909.39 | - | - | **2,909.39** |
| **Total financial liabilities** | **1,43,398.30** | **-** | **-** | **1,43,398.30** | **1,30,537.09** | **-** | **-** | **1,30,537.09** |

## 38. FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENTS AND RISK MANAGEMENT (continued)

### (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) The fair values of investment in unquoted equity shares have been estimated using a DCF (discounted cash flow) model. The valuation requires management to make certain assumptions about the model inputs, including forecasted cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

In respect of investments in alternative investment fund, the fair values represent net asset value as stated by the respective issuer at the close of the reporting date. Net asset values represent the price at which the issuer will issue further units and the price at which issuer 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 funds are carried out at such prices between investors and the issuer of these units.

In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. 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.

(ii) The carrying amount of trade receivables, cash and cash equivalents, other bank balances, other financial assets, trade payables, current borrowings and other financial liabilities, measured at cost in the financial statements, are considered to be the same as their fair values, due to their short term nature. Where such items are non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Carrying value 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 value and fair value is not expected to be significant. Non current borrowings including current maturity and security deposits (classified as other financial assets) are based on discounted cash flow using an incremental borrowing rate.

### (c) Fair value hierarchy

The table shown below analyses financial instruments carried at fair value, by hierarchy.

₹ in Lakhs

| | As at March 31, 2022 | | | | As at March 31, 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | | | | |
| Investments | | | | | | | | |
| - Equity shares (unquoted) | - | - | 8.36 | **8.36** | - | - | 8.36 | **8.36** |
| - Alternative Investment Fund | - | - | 7,261.62 | **7,261.62** | - | - | 3,452.63 | **3,452.63** |
| - Mutual Fund | 2,077.68 | - | - | **2,077.68** | - | - | - | **-** |
| | **2,077.68** | **-** | **7,269.98** | **9,347.66** | **-** | **-** | **3,460.99** | **3,460.99** |

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.

## 38. FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENTS AND RISK MANAGEMENT (continued)

(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.

There have been no transfers of investments between Level 1 and Level 2 fair value measurements during the year ended March 31, 2022 and March 31, 2021, respectively.

### (d) Reconciliation of fair value measurement of investments (categorised as level 3 above) classified as FVTPL/FVTOCI asset :

₹ in Lakhs

| Particulars | FVTOCI | FVTPL | FVTPL |
|---|---|---|---|
| | Equity shares (unquoted) | Equity shares (unquoted) | Alternative Investment Fund |
| **As at April 01, 2020** | **1.00** | **7.36** | **2,343.14** |
| Gain on sale of investments | - | - | 806.94 |
| Proceeds during the year | - | - | (806.94) |
| Fair Value gain recognised in Statement of profit and loss | - | - | 1,109.49 |
| **As at March 31, 2021** | **1.00** | **7.36** | **3,452.63** |
| Invested during the year | - | - | 75.00 |
| Gain on sale of investments | - | - | 88.48 |
| Proceeds during the year | - | - | (143.64) |
| Fair Value gain recognised in Statement of profit and loss | - | - | 3,789.15 |
| **As at March 31, 2022** | **1.00** | **7.36** | **7,261.62** |

### (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 Lease liabilities, borrowings, 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, security 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 mangement 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 that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (including trade receivable and security deposits) and from its financial activities including deposits with banks and financial institutions. An impairment analysis is performed at each reporting date on the basis of sales channel. In addition, a large number of minor receivables are grouped and assessed for impairment collectively.

## 38. FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENTS AND RISK MANAGEMENT (continued)

**Trade receivables :**

The Group operates on business model of primarily cash and carry, credit risk from receivable perspective is insignificant. Customer credit risk is managed basis established policies of Group, procedures and controls relating to customer credit risk management. Outstanding receivables are regularly monitored.

Moreover, the Group's customer base is large and diverse limiting the risk arising out of credit concentration.

**Other remaining financial assets :**

Investments, in the form of fixed deposits, of surplus funds are made generally with banks & financial institutions and within credit limits assigned to each counterparty.

Credit risk in respect for security deposit given for premises taken on lease are tracked by carrying specific analysis of all parties at each reporting period. Historically loss on security deposits are immaterial. Therefore, based on past and forward-looking information available with management and to the best estimate of management, the Group believes that exposure to credit risk on other remaining financial assets is not material.

### (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 Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings. The Group believes that cash generated from operations, working capital management and available sources from raising funds (including additional borrowings, if any) as needed will satisfy its cash flow requirement through at least the next twelve months. The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flow amounts are gross and undiscounted:

₹ in Lakhs

| **Financial liabilities** | **Contractual cash flows** | | | | |
|---|---|---|---|---|---|
| | **Carrying Value** | **Within 1 year** | **1 to 5 years** | **More than 5 years** | **Total** |
| **As at March 31, 2022** | | | | | |
| Preference shares | 114.26 | - | - | 500.00 | 500.00 |
| Borrowings | 36,089.79 | 23,415.83 | 12,420.83 | 400.00 | 36,236.66 |
| Trade payables | 33,336.87 | 33,336.87 | - | - | 33,336.87 |
| Lease liabilities | 70,771.02 | 14,606.67 | 41,524.58 | 60,128.85 | 1,16,260.10 |
| Other financial liabilities | 3,086.36 | 3,086.36 | - | - | 3,086.36 |
| | **1,43,398.30** | **74,445.73** | **53,945.41** | **61,028.85** | **1,89,419.99** |
| | | | | | |
| **As at March 31, 2021** | | | | | |
| Preference shares | 103.87 | - | - | 500.00 | 500.00 |
| Borrowings | 25,521.63 | 17,974.38 | 7,456.70 | 225.50 | 25,656.58 |
| Trade payables | 33,090.98 | 33,090.98 | - | - | 33,090.98 |
| Lease liabilities | 68,911.22 | 14,582.48 | 40,741.47 | 54,130.72 | 1,09,454.67 |
| Other financial liabilities | 2,909.39 | 2,909.39 | - | - | 2,909.39 |
| | **1,30,537.09** | **68,557.23** | **48,198.17** | **54,856.22** | **1,71,611.62** |

## 38. FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENTS AND RISK MANAGEMENT (continued)

### (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 external currency exposure and thus currency 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.

### (iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rate. The Group's exposure to the risk of changes in market interest rates relates to primarily to Group's borrowing with floating interest rates.

**Exposure to interest rate risk**

₹ in Lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Borrowings bearing variable rate of interest | 36,089.79 | 25,521.63 |

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on affected portion of loans and borrowings. With all other variables held constant, the Group's profit before tax is affected through the impact on variable rate borrowing as follows:

A change of 50 bps in interest rates would have following Impact on profit before tax

₹ in Lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| 50 bp increase- decrease in profits | (180.45) | (127.61) |
| 50 bp decrease- increase in profits | 180.45 | 127.61 |

## 39. 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. Apart from internal accrual, sourcing of capital is done through judicious combination of equity and borrowing, both short term and long term.

The capital structure of the Group is based on management's judgment 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.

The Group has not defaulted on any loans payable.

**40.** The Group has incurred a net loss after tax of ₹ 12,146.04 lakhs for the year ended March 31, 2022 and its current liabilities, including current borrowings, exceeds current assets by ₹ 35,762.59 lakhs. The Group has access to unutilised credit lines with its bankers and also additional capital from its promoters, if and when required. The Group also has other investments which can be liquidated, if and when required. Further, the Group has been expanding its operations in its existing territory with increase in trading area, expanding private brand, building growth towards the non-food segments (including own branded apparel). The Group is concentrating on increasing its operating cashflows with a focus on improvement of margins through dis-continuance of loss making/ low margin stores. In view of the above factors, and the approved business plan for the next year, the management is confident of its ability to generate sufficient cash to fulfil all its obligations, including debt repayments, over the next 12 months, consequent to which, these financial statements have been prepared on a going concern basis.

**41.** Due to outbreak of COVID-19 globally and in India, the Group has made an assessment of likely adverse impact on economic environment in general, and financial risks on account of COVID-19. The Group is in the business of organised retail which majorly deals with essential commodities. Accordingly, it has assessed that there is no impact on the business of the Group, since in nation-wide partial lockdown during the year ended and in different periods during the previous year, the business in essential commodities was not restricted and the requirement of delivery of essential commodities at doorstep had also increased significantly. It has also assessed recoverability and carrying value of its assets comprising intangible assets and trade receivables. Based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets.

## 42. ADDITIONAL INFORMATION IN RESPECT OF NET ASSETS AND PROFIT / (LOSS) OF EACH ENTITY WITHIN THE GROUP AND THEIR PROPORTIONATE SHARE :

| | As at March 31, 2022 | | For the year ended March 31, 2022 | | For the year ended March 31, 2022 | | For the year ended March 31, 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Net Assets, i.e. Total assets minus total liabilities | | Share in Profit or (Loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
| | % | ₹ in Lakhs | % | ₹ in Lakhs | % | ₹ in Lakhs | % | ₹ in Lakhs |
| **Holding :** | | | | | | | | |
| Spencer's Retail Limited | 415% | 25,697.47 | 70% | (8,456.46) | 100% | (315.90) | 70% | (8,772.36) |
| **Subsidiaries :** | | | | | | | | |
| 1. Omnipresent Retail India Private Limited | 19% | 1,175.63 | 3% | (376.15) | 4% | (12.09) | 3% | (388.24) |
| 2. Natures Basket Limited | -60% | (3,690.23) | 27% | (3,325.57) | -4% | 11.58 | 27% | (3,313.99) |
| Consolidation adjustment | -275% | (16,997.19) | 0% | 12.14 | 0% | - | 0% | 12.14 |
| **Total** | **100%** | **6,185.68** | **100%** | **(12,146.04)** | **100%** | **(316.41)** | **100%** | **(12,462.45)** |

## 43. OTHER STATUTORY INFORMATION

i) The Group does not have any transactions with companies struck off.

ii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

iv) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

vi) The Group has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

vii) There are no proceedings initiated or are pending against the Group for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

**44.** Figures for the previous periods have been regrouped / reclassified wherever necessary to conform to current period's classification.

**For S.R. Batliboi & Co. LLP**
Chartered Accountants
Firm registration number - 301003E/E300005

**Kamal Agarwal**
Partner

Membership number - 058652

Place : Kolkata
Date : May 12, 2022

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

**Devendra Chawla**
Chief Executive Officer
and Managing Director
DIN: 03586196
Place : Kolkata

**Shashwat Goenka**
Director

DIN: 03486121
Place : Kolkata

**Sanjiv Goenka**
Chairman

DIN: 00074796
Place : Kolkata

**Rahul Nayak**
Whole-time Director
DIN: 06491536
Place : Kolkata

**Rama Kant**
Company Secretary

Place : Kolkata

**Neelesh Bothra**
Chief Financial Officer

Place : Kolkata

Date : May 12, 2022

# FORM NO. AOC.1

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

## PART "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

₹ in Lakhs

| Sl.No. | Particulars | 1 | 2 |
|---|---|---|---|
| | Name of Subsidiary | Omnipresent Retail India Private Limited | Natures Basket Limited |
| 1 | The date since when subsidiary was acquired | September 26, 2017 | July 4, 2019 |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Same as Holding Company | Same as Holding Company |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | Indian Rupees | Indian Rupees |
| 4 | Share Capital | 8,609.66 | 55,938.00 |
| 5 | Reserves and Surplus | (7,434.03) | (59,628.23) |
| 6 | Total Assets | 1,464.17 | 20,900.52 |
| 7 | Total Liabilities | 288.54 | 24,590.75 |
| 8 | Investments | - | 39.28 |
| 9 | Turnover | 2,212.66 | 30,114.18 |
| 10 | Loss before Taxation | (376.15) | (3,325.57) |
| 11 | Provision for Taxation | - | - |
| 12 | Profit after Taxation | (376.15) | (3,325.57) |
| 13 | Proposed Dividend | - | - |
| 14 | % of Shareholding | 100% | 100% |

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

**Devendra Chawla**
Chief Executive Officer
and Managing Director
DIN: 03586196
Place : Kolkata

**Shashwat Goenka**
Director

DIN: 03486121
Place : Kolkata

**Sanjiv Goenka**
Chairman

DIN: 00074796
Place : Kolkata

**Rahul Nayak**
Whole-time Director
DIN: 06491536
Place : Kolkata

**Rama Kant**
Company Secretary

Place : Kolkata

**Neelesh Bothra**
Chief Financial Officer

Place : Kolkata

Date : May 12, 2022

# Notes

# Notes

# Notes

Great Place To Work®

Certified

MAR 2022 - MAR 2023

INDIA ™

This is to certify that Spencer's Retail Ltd. has successfully completed the assessment conducted by Great Place to Work® Institute, India, and is certified as a great workplace.

This certificate is valid from Mar 2022 to Mar 2023.

Yeshasvini R

**Yeshasvini Ramaswamy**
**Chief Executive Officer**
**Great Place to Work® Institute, India**

Note: The certificate is valid subject to the terms and conditions agreed to by the Organization.

spencer's

Makes fine living *affordable*

Nature's | Healthy Alternatives | L'Exclusif Selection Fresh & Hearty

Smart Choice | doubletick | Hands On | Bath & Beauty Co

## Spencer's Retail Limited

**Registered Office**
Duncan House, 31 Netaji Subhas Road,
Kolkata 700 001, India

**Phone:** (033) 2487 1091 / 6625 7600

**CIN:** L74999WB2017PLC219355

**Email:** spencers.secretarial@rpsg.in

**Website:** www.spencersretail.com

it's an SGA adsvita creation | adsvita.com