BATLIBOI, PUROHIT & DARBARI
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying interim consolidated Ind AS financial statements of Spencer's Retail Limited (formerly known as RP-SG Retail Limited) ("the Company/Holding Company"), its subsidiary (the Company/Holding Company and its subsidiary together referred to as "the Group"), which comprise the interim consolidated Balance Sheet as at September 30, 2018, and the interim consolidated Statement of Profit and Loss, including other comprehensive income, interim consolidated Cash Flow Statement and the interim consolidated Statement of Changes in Equity for the 6-month period then ended, and notes to the interim consolidated 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 interim consolidated Ind AS financial statements give a true and fair view in conformity with the accounting principle generally accepted in India including the Indian Accounting Standard (Ind AS) 34 specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended:

(a) in the case of the interim consolidated Balance Sheet, of the state of affairs of the Group as at September 30, 2018;

(b) in the case of the interim consolidated Statement of Profit and Loss including other comprehensive income, of the profit for the six-month period ended on that date;

(c) in the case of the interim consolidated Cash Flow Statement, of the cash flows for the six-month period ended on that date; and

(d) in the case of the interim consolidated Statement of Changes in Equity, of the changes in equity for the six-month period ended on that date.

Basis for Opinion

We conducted our audit of the interim consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Interim Consolidated Financial Statements section of our report. We are independent of the Company/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 Companies Act, 2013 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 opinion on the interim consolidated Ind AS financial statements.

Management's Responsibility for the Interim Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these interim consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its subsidiary 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

BATLIBOI PUROHIT & DARBARI * Chartered Accountants * 7, Waterloo Street, Kolkata 700069 are also responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the interim consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the interim consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Companies / 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 Companies / Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Interim Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the interim 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 interim consolidated Ind AS 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 interim 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's/Group's internal control.
- 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 Group'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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the interim consolidated financial statements, including the disclosures, and whether the interim 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 and whose financial information we have audited, to express an opinion on the interim 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 interim consolidated financial statements of which we are the independent auditors.

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.

Other matters

The comparative Ind AS Statement of Profit and Loss; Statement of Changes in Equity and Statement of Cash flows of the Group for the corresponding half year and period ended September 30, 2017 are not included in these Consolidated Interim Ind AS financial statements. The comparative Ind AS Statement of Profit and Loss; Statement of Changes in Equity and Statement of Cash flows of the Group for the previous period beginning February 8, 2017 and ending on March 31, 2018 has been included in these Consolidated Interim Ind AS financial statements. Our opinion is not qualified in respect of this matter.

Restriction of use

The accompanying interim consolidated Ind AS financial statements have been prepared and this report thereon issued, solely for the purpose of inclusion in the information memorandum to be filed by the Company with relevant stock exchanges for the proposed listing of equity shares of the Company. Accordingly, this report should not be used, referred to or distributed for any other purpose without our prior written consent.

For **Batliboi, Purohit and Darbari**
Chartered Accountants
ICAI Firm Registration Number: 303086E

CA Hemal Mehta
Partner
Membership Number: 063404

Place: Kolkata
Date: 11th January, 2019

Spencer's Retail Limited (formerly known as RP-SG Retail Limited)
Interim Consolidated Balance Sheet as at 30th September 2018

	Notes	As at 30th September 2018 ₹ Lakhs	As at 31st March 2018 ₹ Lakhs
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3.1	14,704.94	14,244.78
(b) Capital work-in-progress		178.03	15.04
(c) Intangible assets	3.2	9,534.22	9,626.51
(d) Financial assets			
(i) Investments	4.1	712.67	685.16
(ii) Loans and deposits	5	3,391.87	2,984.98
(iii) Other financial assets	6	2,019.18	17,030.90
(e) Non current tax assets (net)		428.90	289.21
(f) Other non-current assets	7	1,698.55	1,778.23
(A) Total non-current assets		**32,668.36**	**46,654.81**
Current assets			
(a) Inventories	8	25,205.19	24,249.13
(b) Financial assets			
(i) Investments	4.2	423.17	-
(ii) Trade receivables	9	5,752.20	3,720.68
(iii) Cash and cash equivalents	10.1	2,898.46	1,940.90
(iv) Bank balances other than (iii) above	10.2	5,146.13	8,059.79
(v) Loans and deposits	11	-	0.93
(vi) Other financial assets	12	16,253.18	703.78
(c) Current tax assets (net)		14.94	7.44
(d) Other current assets	13	2,457.60	2,010.74
(B) Total current assets		**58,150.87**	**40,693.39**
TOTAL ASSETS [(A)+(B)]		**90,819.23**	**87,348.20**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	14	-	-
(b) Equity share suspense	15	3,976.71	3,976.71
(c) Other equity	16	50,745.69	50,735.48
(C) Total equity		**54,722.40**	**54,712.19**
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities	17	81.75	78.04
(b) Provisions	18	777.87	824.73
(D) Total non-current liabilities		**859.62**	**902.77**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	19		
- Total outstanding dues of micro and small enterprises		-	-
- Total outstanding dues of creditors other than micro and small enterprises		31,225.50	28,021.99
(ii) Other financial liabilities	20	1,800.04	1,465.75
(b) Other current liabilities	21	693.55	749.08
(c) Provisions	22	1,518.12	1,496.42
(E) Total current liabilities		**35,237.21**	**31,733.24**
TOTAL EQUITY AND LIABILITIES [(C) +(D)+(E)]		**90,819.23**	**87,348.20**

The accompanying notes form an integral part of these Interim Consolidated Financial Statements

This is the Interim Consolidated Balance Sheet referred to in our Report of even date.

For Batliboi, Purohit & Darbari
Firm Registration Number - 303086E
Chartered Accountants

CA Hemal Mehta
Partner
Membership No. 063404

BATLIBOI PUROHIT & DARBARI
7, Waterloo Street, Kolkata 700069
Chartered Accountants

Place : Kolkata
Date : 11th January 2019

For and on behalf of Board of Directors

Shashwat Goenka

Shashwat Goenka
Director
DIN: 03486121

Sanjiv Goenka
Chairman
DIN: 00074796

Rahul Nayak
Whole-time Director
DIN: 06491536

Navin Kr. Rathi

Navin Kumar Rathi
Company Secretary

Arvind Kumar Vats
Chief Financial Officer

SPENCER'S RETAIL LIMITED
KOLKATA 700001

Spencer's Retail Limited (formerly known as RP-SG Retail Limited)
Interim Consolidated Statement of Profit and Loss for the half year ended 30th September 2018

	Notes	For the half year ended 30th September 2018 ₹ Lakhs	For the period 8th February 2017 to 31st March 2018 ₹ Lakhs
Income:			
Revenue from operations	23	1,09,023.91	1,04,285.96
Other income	24	1,336.80	902.35
Total Income (I)		**1,10,360.71**	**1,05,188.31**
Expenses:			
Purchase of stock-in-trade		86,547.69	83,929.59
Changes in inventories of traded and finished goods	25	(1,014.61)	(659.65)
Cost of raw materials consumed	26	340.53	475.93
Employee benefits expense	27	7,702.03	7,602.21
Other expenses	28	14,941.02	13,384.39
Total Expenses (II)		**1,08,516.66**	**1,04,732.47**
Earnings before interest, tax, depreciation and amortisation (EBITDA) [(I)-(II)]		**1,844.05**	**455.84**
Depreciation and amortisation	29	1,211.99	1,488.30
Finance costs	30	412.65	380.23
Profit / (loss) before tax (III)		**219.41**	**(1,412.69)**
Tax expense:			
Current Tax - Minimum alternative tax		152.07	-
Profit / (Loss) for the period (IV)		**67.34**	**(1,412.69)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurement of defined benefit plans [net of tax of ₹ 15.62 Lakhs (previous period : Nil)]		(57.13)	(29.44)
Other comprehensive income for the period (V)		**(57.13)**	**(29.44)**
Total comprehensive income for the period [(IV)+(V)]		**10.21**	**(1,442.13)**
Earnings per share - Basic and Diluted [Nominal value per equity share ₹ 5 (previous period : ₹ 5)]	31	0.08	(4.07)

The accompanying notes form an integral part of these Interim Consolidated Financial Statements

This is the Interim Consolidated Statement of Profit and Loss referred to in our Report of even date.

For **Batliboi, Purohit & Darbari**
Firm Registration Number - 303086E
Chartered Accountants

CA Hemal Mehta
Partner
Membership No. 063404

BATLIBOI PUROHIT & DARBARI 7, Waterloo Street, Kolkata 700069 Chartered Accountants

Place : Kolkata
Date : 11th January 2019

For and on behalf of Board of Directors

Shashwat Goenka
Director
DIN: 03486121

Sanjiv Goenka
Chairman
DIN: 00074796

Rahul Nayak
Whole-time Director
DIN: 06491536

Navin Kumar Rathi
Company Secretary

Arvind Kumar Vats
Chief Financial Officer

SPENCER'S RETAIL LIMITED KOLKATA 700001

Spencer's Retail Limited (formerly known as RP-SG Retail Limited)
Interim Consolidated Statement of Changes in Equity for the half year ended 30th September 2018

	As at 30th September 2018		As at 31st March 2018	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
A. Equity share capital	-	-	-	-
B. Equity share suspense *				
Equity shares of ₹ 5 each	7,95,34,226	3,976.71	7,95,34,226	3,976.71

* Represents equity shares subsequently alloted on 14th November 2018.

C. Other equity

₹ Lakhs

Particulars	Reserves and Surplus		Items of OCI	Total
	Capital reserve	Retained earnings	Investments in equity shares at fair value	
Balance as at 8th February 2017	-	-	-	-
Loss for the period	-	(1,412.69)	-	(1,412.69)
Acquired during the period	56,133.85	(3,957.72)	1.48	52,177.61
Remeasurement of defined benefit plans	-	(29.44)	-	(29.44)
Balance as at 31st March 2018	**56,133.85**	**(5,399.85)**	**1.48**	**50,735.48**
Profit for the period	-	67.34	-	67.34
Remeasurement of defined benefit plans		(57.13)	-	(57.13)
Balance as at 30th September 2018	**56,133.85**	**(5,389.64)**	**1.48**	**50,745.69**

The accompanying notes form an integral part of these Interim Consolidated Financial Statements

This is the Interim Consolidated Statement of Changes in Equity referred to in our Report of even date.

For **Batliboi, Purohit & Darbari**
Firm Registration Number - 303086E
Chartered Accountants

CA Hemal Mehta
Partner
Membership No. 063404

BATLIBOI PUROHIT & DARBARI * Chartered Accountants * 7, Waterloo Street, Kolkata 700069

For and on behalf of Board of Directors

Shashwat Goenka
Director
DIN: 03486121

Sanjiv Goenka
Chairman
DIN: 00074796

Rahul Nayak
Whole-time Director
DIN: 06491536

Navin Kr. Rathi

Navin Kumar Rathi
Company Secretary

Arvind Kumar Vats
Chief Financial Officer

SPENCER'S RETAIL LIMITED * KOLKATA 700001

Place : Kolkata
Date : 11th January 2019

Spencer's Retail Limited (formerly known as RP-SG Retail Limited)
Interim Consolidated Cash Flow Statement for the half year ended 30th September 2018

	For the half year ended 30th September 2018 ₹ Lakhs	For the period 8th February 2017 to 31st March 2018 ₹ Lakhs
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	**219.41**	**(1,412.69)**
Adjustments :		
Depreciation and amortisation	1,211.99	1,488.30
Provision for Bad and Doubtful Debts / Bad debts / irrecoverable balances written off	68.20	84.11
Provision for doubtful store lease deposits / advances	13.31	-
Interest expense (excluding interest cost on actuarial valuation & asset retirement obligation)	14.97	1.42
Fair value gain on non-current investments	(56.57)	-
Net gain on sale of investments	(38.93)	(62.41)
Interest income	(960.39)	(813.47)
Net (gain) / loss on sales of property plant and equipment	(18.81)	3.48
Provision for decommissioning liability (net)	23.45	16.09
Interest on preference share suspense	3.71	78.04
Provision/(reversal) for Obsolete stocks	101.80	246.84
Operating Profit/(Loss) before working capital changes	**582.14**	**(370.29)**
Movement in working capital:		
(Decrease) in Trade payables	3,203.53	(1,646.86)
Increase/(Decrease) in Other Financial Liabilities	110.06	(3,367.87)
Increase/ (Decrease) in Non-Current Liabilities	(55.53)	(29.63)
(Decrease) in Provisions	(129.18)	(82.60)
(Increase)/ Decrease in Trade Receivables	(2,099.72)	1,273.63
(Increase)/Decrease in Inventories	(1,057.86)	(643.14)
(Increase)/Decrease in Other Financial Assets	(441.00)	70.25
(Increase)/Decrease in Loans and Deposits	(428.85)	153.14
(Increase) in Other Assets	(583.01)	(134.76)
Net cash used in operating activities (A)	**(899.42)**	**(4,778.13)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipments, including intangible assets, capital work in progress and capital advances	(1,608.97)	(750.97)
Proceeds from Sale of Property, Plant and Equipments	33.86	8.45
Investment in Alternative Investment Fund	29.15	(375.00)
Proceeds from sale of Mutual Fund units	5,515.74	15,962.40
Purchase of Mutual Fund units	(5,900.00)	(15,355.29)
Investments in bank deposits (having original maturity of more than three months)	15,319.26	(59,991.87)
Redemption/maturity of bank deposits (having original maturity of more than three months)	(12,422.18)	40,995.77
Interest received	890.37	567.02
Net cash from/(used in) Investing activities (B)	**1,857.23**	**(18,939.49)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital (including securities premium)	-	5.00
Proceeds from short-term borrowings (net)	-	3,797.00
Interest paid	(0.25)	(18.81)
Net Cash Flow from/(used in) financing activities (C)	**(0.25)**	**3,783.19**
Net Increase in Cash and Cash equivalents (A+B+C)	**957.56**	**(19,934.43)**
Cash and cash equivalents acquired pursuant to scheme	-	21,875.33
Cash and cash equivalents at the beginning of the period	1,940.90	-
Cash and cash equivalents at the end of the period	**2,898.46**	**1,940.90**
Components of cash and cash equivalents		
With banks-on current account	1,152.54	1,168.67
Balance with Credit Card, E-Wallet Companies & Others	809.96	405.99
Cash in hand	935.96	366.24
Total cash and cash equivalents (Refer Note 10.1)	**2,898.46**	**1,940.90**

Change in Liability arising from financing activities

Particulars	As on 01st April 2018	Cash flows from financing activities	Non-cash changes	As on 30th September 2018
Financial liabilities*	78.04	-	3.71	81.75

* Pertains to preference shares suspense (refer note 17)

The accompanying notes form an integral part of these Interim Consolidated Financial Statements

This is the Interim Consolidated Cash Flow Statement referred to in our Report of even date.

For Batliboi, Purohit & Darbari
Firm Registration Number - 303086E
Chartered Accountants

CA Hemal Mehta
Partner
Membership No. 063404

For and on behalf of Board of Directors

Shashwat Goenka
Director
DIN: 03486121

Sanjiv Goenka
Chairman
DIN: 00074796

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Whole-time Director
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Navin Kumar Rathi
Company Secretary

Arvind Kumar Vats
Chief Financial Officer

BATLIBOI PUROHIT & DARBARI
7, Waterloo Street, Kolkata 700069
Chartered Accountants

SPENCER'S RETAIL LIMITED
KOLKATA 700001

Place : Kolkata
Date : 11th January 2019

1 **Corporate information**

The special purpose interim consolidated financial statements ("interim consolidated financial statements") comprise financial statements of Spencer's Retail Limited (formerly known as RP-SG Retail Limited) (the Company) and its subsidiary (collectively, the Group) as at and for the half year ended 30th September 2018. The Company is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act, 2013. The registered office of the Company is located at CESC House, Chowringhee Square, Kolkata 700001. The name of the Company was subsequently changed from "RP-SG Retail Limited" to "Spencer's Retail Limited" vide certificate of incorporation pursuant to change of name issued by the Registrar of Companies, Kolkata dated 13th December 2018.
The Company is primarily engaged in developing, conducting, investing and promoting organised retail and operates departmental and neighbourhood stores under various formats across the country. The Company's subsidiary is mainly engaged in the business of delivery agent on commission basis.

2 **Basis of preparation**

These special pupose interim consolidated financial statements of the Group for the half year ended 30th September 2018 have been prepared in accordance with Ind AS 34 "Interim Financial Reporting" specified under Section 133 of the Companies Act 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules,2013, as amended for the limited purpose of inclusion in the Information Memorandum to be filed with Stock Exchanges. Accordingly the comparative number for interim consolidated statement of profit and loss, interim consolidated statement of changes in equity and interim consolidated cash flow statement has been given for the period 8th February 2017 to 31 March 2018, instead of April to September 2017.

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

2.1 **Basis of consolidation**

The interim consolidated financial statements comprise the financial statements of the Spencer's Retail Limited (formerly known as RP-SG Retail Limited) and its subsidiary as at and for the half year ended 30th September 2018. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.
The Group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

The Interim consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and are presented, to the extent possible, in the same manner as the parent and subsidiaries financial statements. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company.

The subsidiary company considered in the interim consolidated financial statements is as follows:

Name	Country of Incorporation	% of ownership interest as on 30th September 2018
Omnipresent Retail India Pvt Ltd	India	100%

2.2 **Significant accounting policies**

a) **Property, plant and equipment**

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

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

The present value of the expected cost to be incurred on removal of assets at the time of store closure is included in the cost of leasehold improvements. Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.
Depreciation on Property, Plant and Equipment is calculated on a straight-line basis using the rates arrived based on the useful lives estimated by the management, which is as follows:

Class of Assets	Useful lives estimated by the management (years)
Computers and 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

The management has estimated, based on the Group's internal evaluation, the useful lives of certain plant and machinery, furniture and fixtures and computer and hardware between 15 to 25 years, 3 to 15 years and 3 to 6 years, respectively. The management believes that these estimated useful life are realistic and reflect fair approximation of the period over which the asset are likely to be used.

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

BATLIBOI PUROHIT & DARBARI * Chartered Accountants * 7, Waterloo Street, Kolkata 700069

SPENCER'S RETAIL LIMITED KOLKATA 700001

b) Intangible assets

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

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

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

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

Class of Assets	Useful lives estimated by the management (years)
Computer softwares	6 years
Knowhow and licenses	10 years

The Group has considered indefinite life for Trade Mark and hence it is tested for impairment annually.

c) Borrowing Cost

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

d) Investments

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

e) Impairment of financial assets

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

f) Inventories

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

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

Obsolete, slow moving and defective inventories are identified from time to time and where necessary a provision is made for such inventories.

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

g) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

h) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

i) Retirement and other employee benefits

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

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

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

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

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in Other Comprehensive Income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

(i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

(ii) Net interest expense or income

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j) **Foreign currency transactions**

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

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

k) **Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The following specific recognition criteria must also be met before revenue is recognised

Sale of goods

Revenue recognised from the sale of products is measured at the fair value of the consideration received or receivable, net of returns and trade discounts. The Group collects Goods and Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Accordingly, they are excluded from revenue.

Where the Group is the principal in the transaction, the sales are recorded at their gross values. Where the Group is effectively the agent in the transaction, the cost of the merchandise is disclosed as a deduction from the gross value.

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. In determining the transaction price for the sale of equipment, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Any amounts received from merchandiser for which the Group do not provide any distinct good or service are considered as a reduction of purchase costs.

Income from recoveries and services

Income from recoveries and services mainly represents recoveries made on account of advertisement for use of space by the customers and other expenses charged from suppliers and are recognized and recorded based on the arrangements with concerned parties. The Group collects Goods and Service Tax (GST) on behalf of the government and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue.

The Group has contracts with concessionaire whereby the Group provides its store space for facilitating the sales of the products of these concessionaires. Thus, the Group is an agent and records revenue at the net amount that it retains for its agency services.

Interest income

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

l) **Taxes**

Current income tax

Current income tax is measured at the amount expected to be paid, if any to the tax authorities in accordance with Indian Income Tax Act, 1961. Management periodically evaluates positions taken in the tax returns vis-a-vis positions taken in books of account, which are subject to interpretation, and creates provisions where appropriate.

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 substantively enacted at the Balance Sheet date.

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

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

m) **Leases**

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

n) **Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss before Other Comprehensive Income for the period 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 before Other Comprehensive Income for the period and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) **Contingent liabilities**

A contingent liabilities is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Group 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 interim consolidated financial statements.

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p) **Business Combination**

Business combination involving entities or businesses under common control are accounted for using the pooling of interest method whereby the assets and liabilities of the combining entities / business are reflected at their carrying value and necessary adjustments , if any, have been given effect to as per the scheme approved by National Company Law Tribunal.

q) **Measurement of EBITDA**

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

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3.1 Property, plant and equipment

(₹ Lakhs)

	Leasehold improvements	Plant and machineries	Computer hardwares	Vehicles	Furniture and fixtures	Office equipments	Total
Gross carrying amount							
Cost							
As at 8th February 2017	-	-	-	-	-	-	-
Acquired during the period (refer note below)	9,101.76	4,205.47	1,536.16	22.96	6,440.91	134.48	21,441.74
Additions	6.45	184.21	220.81	-	96.82	4.60	512.89
Disposals	174.84	13.22	8.72	3.41	29.59	0.34	230.12
As at 31st March 2018	**8,933.37**	**4,376.46**	**1,748.25**	**19.55**	**6,508.14**	**138.74**	**21,724.51**
Additions	455.21	372.87	223.68	-	500.47	4.70	1,556.93
Disposals	3.15	33.00	32.21	-	74.89	-	143.25
As at 30th September 2018	**9,385.43**	**4,716.33**	**1,939.72**	**19.55**	**6,933.72**	**143.44**	**23,138.19**
Accumulated depreciation							
As at 8th February 2017	-	-	-	-	-	-	-
Acquired during the period (refer note below)	2,136.38	901.69	927.90	13.40	2,327.67	20.52	6,327.56
Depreciation for the period (refer note 29)	433.68	234.74	180.05	8.23	503.25	7.39	1,367.34
Disposals	174.84	11.85	6.17	3.41	18.66	0.24	215.17
As at 31st March 2018	**2,395.22**	**1,124.58**	**1,101.78**	**18.22**	**2,812.26**	**27.67**	**7,479.73**
Depreciation for the period (refer note 29)	367.34	238.24	155.42	0.25	313.07	7.31	1,081.62
Disposals	2.99	25.89	32.10	-	67.12	-	128.10
As at 30th September 2018	**2,759.57**	**1,336.93**	**1,225.10**	**18.47**	**3,058.21**	**34.98**	**8,433.25**
Net carrying amount							
As at 8th February 2017	-	-	-	-	-	-	-
As at 31st March 2018	**6,538.15**	**3,251.88**	**646.47**	**1.33**	**3,695.88**	**111.07**	**14,244.78**
As at 30th September 2018	**6,625.86**	**3,379.40**	**714.62**	**1.08**	**3,875.51**	**108.46**	**14,704.94**

Note:

	Leasehold improvements	Plant and machineries	Computer hardwares	Vehicles	Furniture and fixtures	Office equipments	Total
Gross block of asset acquired							
Acquired pursuant to the Scheme (refer note 43)	9,098.25	4,199.80	1,514.48	22.96	6,433.70	131.97	21,401.16
Acquired during the period	3.51	5.67	21.68	-	7.21	2.51	40.58
	9,101.76	**4,205.47**	**1,536.16**	**22.96**	**6,440.91**	**134.48**	**21,441.74**
Accumulated depreciation of asset acquired							
Acquired pursuant to the Scheme (refer note 43)	2,135.98	901.45	922.74	13.40	2,326.77	20.00	6,320.34
Acquired during the period	0.40	0.24	5.16	-	0.90	0.52	7.22
	2,136.38	**901.69**	**927.90**	**13.40**	**2,327.67**	**20.52**	**6,327.56**

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3.2 Intangible Assets

(₹ Lakhs)

	Computer Softwares	Know-How and Licenses	Trade Mark *	Total
Gross carrying amount				
Cost				
As at 8th February 2017	-	-	-	-
Acquired during the period (refer note below)	843.57	295.05	8,625.00	9,763.62
Additions	435.17	-	-	435.17
Disposals	2.47	-	-	2.47
As at 31st March 2018	**1,276.27**	**295.05**	**8,625.00**	**10,196.32**
Additions	38.08	-	-	38.08
As at 30th September 2018	**1,314.35**	**295.05**	**8,625.00**	**10,234.40**
Accumulated amortisation				
As at 8th February 2017	-	-	-	-
Acquired during the period (refer note below)	300.53	150.67	-	451.20
Amortisation for the period (refer note 29)	93.60	27.36	-	120.96
Disposals	2.35	-	-	2.35
As at 31st March 2018	**391.78**	**178.03**	-	**569.81**
Amortisation for the period (refer note 29)	102.40	27.97	-	130.37
As at 30th September 2018	**494.18**	**206.00**	-	**700.18**
Net carrying amount				
As at 8th February 2017	-	-	-	-
As at 31st March 2018	**884.49**	**117.02**	**8,625.00**	**9,626.51**
As at 30th September 2018	**820.17**	**89.05**	**8,625.00**	**9,534.22**

* Trademark has been considered of having an indefinite useful life taking into account that there are no technical, technological or commercial risks of obsolescence or limitations under contract or law. The indefinite life intangible assets are tested for impairment annually.

Note :

	Computer Softwares	Know-How and Licenses	Trade Mark *	Total
Gross block of asset acquired				
Acquired pursuant to the Scheme (refer note 43)	758.10	295.05	8,625.00	9,678.15
Acquired during the period	85.47	-	-	85.47
	843.57	**295.05**	**8,625.00**	**9,763.62**
Accumulated amortisation of asset acquired				
Acquired pursuant to the Scheme (refer note 43)	286.59	150.67	-	437.26
Acquired during the period	13.94	-	-	13.94
	300.53	**150.67**	-	**451.20**

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4 Investments

	30th September 2018 ₹ Lakhs	31st March 2018 ₹ Lakhs
4.1 Non-current		
Unqouted		
Investments in equity instruments (at FVTOCI)		
Retailer's Association of India: 10,000 equity share as at 30th September 2018 (31st March 2018: 10,000 equity share)	1.00	1.00
Investment in Alternative Investment Fund (at FVTPL)		
Fireside Ventures Investment Fund of ₹100,000 each : 729.69 units as at 30th September 2018 (31st March 2018: 750 units)	711.67	684.16
	712.67	**685.16**
4.2 Current		
Qouted		
Investment in Mutual Fund (at FVTPL)		
20,27,165.925 units of ₹ 10.1421 each of IDFC Ultra Short Term Fund- Growth- (Direct Plan) (31st March 2018: Nil)	205.60	-
7,96,051.584 units of ₹ 25.5448 each of IDFC Low Duration Fund- Growth- (Direct Plan) (31st March 2018: Nil)	203.34	-
178.586 units of ₹ 2,186.8661 each of IDFC Cash Fund-Growth- (Direct Plan) (31st March 2018: Nil)	3.91	-
1,187.127 units of ₹ 289.4784 each of Adiya Birla Sun life Liquid Fund - Growth Option(31st March 2018: Nil)	3.43	-
55.481 units of ₹ 3,545.7911 each HDFC Liquid Fund- Growth option (31st March 2018: Nil)	1.97	-
111.887 units of ₹ 4,394.4298 each of Reliance Liquid Fund- Direct plan - Growth Option (31st March 2018: Nil)	4.92	-
	423.17	**-**

Aggregate amount of unquoted investments as at 30th September 2018: ₹ 712.67 Lakhs (31st March 2018: ₹ 685.16 Lakhs)

5 Loans and deposits (at amortised cost)

(Unsecured, considered good unless stated otherwise)

	30th September 2018 ₹ Lakhs	31st March 2018 ₹ Lakhs
Deposits		
Considered good	3,391.87	2,984.98
Significant increase in credit risk	13.35	13.95
Credit impaired	145.30	131.99
	3,550.52	3,130.92
Impairment allowance:		
Significant increase in credit risk	(13.35)	(13.95)
Credit impaired	(145.30)	(131.99)
	3,391.87	**2,984.98**

6 Other financial assets (at amortised cost)

(Unsecured, considered good unless stated otherwise)

	30th September 2018 ₹ Lakhs	31st March 2018 ₹ Lakhs
Other Bank balances		
-Deposits with original maturity for more than 12 months	0.50	15,300.00
-Margin money deposit *	1,878.15	1,640.88
Interest accrued on deposits	136.03	89.81
Advances to employees	4.50	0.21
	2,019.18	**17,030.90**

* Margin money deposits of ₹1,878.15 (31st March 2018 : ₹1,640.88 Lakhs) are encumbered with banks against bank guarantees and overdraft facilities.

7 Other non-current assets

(Unsecured, considered good unless stated otherwise)

	30th September 2018 ₹ Lakhs	31st March 2018 ₹ Lakhs
Capital advances:		
Considered good	97.77	15.30
Considered doubtful	3.54	3.54
	101.31	18.84
Less: considered doubtful	(3.54)	(3.54)
	97.77	15.30
Advances other than capital advances:		
Advances recoverable in cash or in kind	0.91	0.51
Prepaid expenses	1,567.52	1,731.39
Deposits for claims and tax disputes	32.35	31.03
	1,698.55	1,778.23

8 Inventories

(at lower of cost and net realisable value)

	30th September 2018 ₹ Lakhs	31st March 2018 ₹ Lakhs
Raw materials	87.38	79.29
Finished goods	14.97	18.50
Stock-in-trade	25,592.04	24,573.90
Less : Provision for obsolete stock	(811.80)	(694.28)
	24,780.24	23,879.62
Packing materials	333.75	298.59
Less : Provision for obsolete stock	(11.15)	(26.87)
	322.60	271.72
	25,205.19	24,249.13

9 Trade receivables (at amortised cost)

(Unsecured, considered good unless stated otherwise)

	30th September 2018 ₹ Lakhs	31st March 2018 ₹ Lakhs
Considered good	5,752.20	3,720.68
Credit impaired	149.70	81.50
	5,901.90	3,802.18
Less: allowance for credit impaired receivables	(149.70)	(81.50)
	5,752.20	3,720.68

Trade receivables are non-interest bearing and are generally agreed on terms of 30 to 90 days.
Refer note 36 for receivables from related parties.

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Spencer's Retail Limited (formerly known as RP-SG Retail Limited)

Notes to Interim Consolidated Financial Statements as at and for the half year ended 30th September 2018

10 Cash and bank balances

	30th September 2018	31st March 2018
10.1 Cash and cash equivalents	**₹ Lakhs**	**₹ Lakhs**
Balance with banks		
- On current accounts	1,152.54	1,168.67
Balance with credit card, e-wallet companies and others	809.96	405.99
Cash on hand	935.96	366.24
	2,898.46	1,940.90

10.2 Other bank balances		
Deposits with original maturity more than 3 months but less than 12 months	5,146.13	8,059.79
	5,146.13	8,059.79

11 Loans and deposits (at amortised cost)

(Unsecured, considered good)

	30th September 2018	31st March 2018
	₹ Lakhs	**₹ Lakhs**
Deposits	-	0.93
	-	0.93

12 Other financial assets (at amortised cost)

(Unsecured, considered good unless stated otherwise)

	30th September 2018	31st March 2018
	₹ Lakhs	**₹ Lakhs**
Other bank balances		
- Deposits with original maturity for more than 12 months	15,319.12	239.81
Interest accrued on deposits	146.67	122.87
Advances to employees	57.29	40.71
Other receivables	730.10	300.39
	16,253.18	703.78

13 Other current assets

(Unsecured, considered good unless stated otherwise)

	30th September 2018	31st March 2018
	₹ Lakhs	**₹ Lakhs**
Advances recoverable in cash or in kind	689.75	325.30
Prepaid expenses	1032.26	658.50
Balance with statutory / government authorities	735.59	1026.94
	2457.60	2010.74

14 Equity share capital

	30th September 2018		31st March 2018	
	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**

15 Equity share suspense

	30th September 2018		31st March 2018	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Equity shares to be issued pursuant to the Scheme (refer note 43)				
Equity shares of ₹5 each	7,95,34,226	3,976.71	7,95,34,226	3,976.71
	7,95,34,226	**3,976.71**	**7,95,34,226**	**3,976.71**

Note:

1) 7,95,34,226 equity shares of ₹ 5 each amounting to ₹ 3,976.71 Lakhs is the proposed equity share capital of Spencer's Retail Limited (formerly known as RP-SG Retail Limited) effective from 1 October, 2017 post restructuring. The Company is in the process of listing its equity shares in the recognised Stock exchanges in India, hence the share capital stands unallotted and disclosed under equity share suspense account.

2) In terms of the Scheme, the paid up Equity Share Capital of ₹ 5.00 lakhs of Spencer's Retail Limited (formerly known as RP-SG Retail Limited) pertaining to the period prior to the Appointed date i.e. 1st October 2017 stands cancelled and reduced (refer note 43).

3) The equity shares have been subsequently allotted on 14th November 2018.

16 Other equity

	30th September 2018	31st March 2018
	₹ Lakhs	₹ Lakhs
16.1 Capital reserve		
Balance as at begining of the period	56,133.85	-
Acquired during the period [refer note (i) below]	-	56,133.85
Closing balance	**56,133.85**	**56,133.85**
16.2 Retained earnings		
Balance as at begining of the period	(5,399.85)	-
Balance as at acquisition date	-	(3,957.72)
Remeasurement of defined benefit plans	(57.13)	(29.44)
Profit / (loss) for the period	67.34	(1,412.69)
Closing balance	**(5,389.64)**	**(5,399.85)**
16.3 Other comprehensive income		
Balance as at begining of the period	1.48	-
Balance as at acquisition date	-	1.48
Closing balance	**1.48**	**1.48**
	50,745.69	**50,735.48**

Note:

i) **Capital reserve**

Capital Reserve represents amount transferred pursuant to the Scheme and acquisition details of which is given below:

	30th September 2018	31st March 2018
	₹ Lakhs	₹ Lakhs
Balance as at begining of the period	56,133.85	-
Balance as at acquisition pursuant to the Scheme (refer note 43)	-	55,965.23
Balance as at acquisition of subsidiary	-	168.62
Total	**56,133.85**	**56,133.85**

ii) **Retained earnings**

Retained earnings includes reserves created out of profits and remeasurement gains/ losses of defined benefit plans.

iii) **Other comprehensive income**

The Group has elected to recognise changes in the fair value of equity instruments in other comprehensive income. The Group transfers amount from other comprehensive income to retained earning when the relevant equity share is derecognised.

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17 **Financial liabilities (at amortised cost)**

	30th September 2018 ₹ Lakhs	31st March 2018 ₹ Lakhs
Preference share suspense * 0.01% non-cummulative non-convertible redeemable preference shares of ₹ 100 each: 500,000 shares as at 30th September 2018 (31st March 2018: 500,000 shares) to be issued pursuant to the Scheme (refer note 43)	81.75	78.04
	81.75	78.04

* subsequently allotted on 14th November 2018

Rights, preferences and restrictions attached to preference shares to be issued :
The non-convertible non-cumulative redeemable 500,000 preference shares of ₹100 each carriying dividend @ 0.01% per annum redeemable at par after 20 years from date of allotment.

18 **Provisions**

	30th September 2018 ₹ Lakhs	31st March 2018 ₹ Lakhs
Provisions for employee benefits		
Gratuity (refer note 35)	260.72	311.14
Leave	246.87	266.76
	507.59	577.90
Other provisions		
Provision for decommissioning liability (refer note below)	270.28	246.83
	777.87	824.73

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 period ended 30th September 2018 ₹ Lakhs	For the period 8th February 2017 to 31st March 2018 ₹ Lakhs
Movement of provision for decommissioning liability		
Opening balance	246.83	-
Add: Acquired pursuant to the Scheme (refer note 43)	-	230.74
Add: Provision created during the period	23.45	19.23
Less: Provision reversed / utilised during the period	-	(3.14)
Closing balance	270.28	246.83

19 **Trade payable**

	30th September 2018 ₹ Lakhs	31st March 2018 ₹ Lakhs
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	31,225.50	28,021.99
	31,225.50	28,021.99

Trade payable are non interest bearing and are normaly settled on 30 to 180 days term.
Refer note 36 for dues to related parties.

20 **Other financial liabilities (at amortised cost)**

	30th September 2018 ₹ Lakhs	31st March 2018 ₹ Lakhs
Book overdraft	174.44	-
Sundry deposits	343.04	319.64
Liability for capital goods	492.97	272.45
Others		
- Payables to employees	789.59	873.66
	1,800.04	1,465.75

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21 Other current liabilities

	30th September 2018 ₹ Lakhs	31st March 2018 ₹ Lakhs
Advances from customers	441.47	362.41
Statutory dues	249.87	386.67
Others	2.21	-
	693.55	749.08

22 Provisions

	30th September 2018 ₹ Lakhs	31st March 2018 ₹ Lakhs
Provisions for employee benefits		
Gratuity (refer note 35)	19.99	17.25
Leave	14.26	13.22
	34.25	**30.47**
Other provisions		
Tax disputes [refer note (a) below]	293.53	293.53
Claims on leased properties [refer note (b) below]	1,190.34	1,172.42
	1,518.12	**1,496.42**

Note:

(a) 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.

Movement of provision for tax disputes	For the period ended 30th September 2018 ₹ Lakhs	For the period 8th February 2017 to 31st March 2018 ₹ Lakhs
Opening balance	293.53	-
Acquired pursuant to the Scheme (refer note 43)	-	291.33
Provision created during the period	-	2.20
Closing balance *	293.53	293.53

* Net of deposits as at 30th September 2018 ₹ 51.89 Lakhs (31st March 2018: ₹ 51.89 Lakhs) made under appeal.

(b) **Claims on Leased Properties**

Retailers Association of India (RAI) of which the Company is a member, has filed Special Leave Petition before the Hon'ble Supreme Court of India, about the applicability of service tax on commercial rent on immovable property. Pending disposal of the case, the Supreme Court has passed an interim ruling in October 2011 directing the members of RAI to pay 50% of total service tax liability up to September 2011 to the department and to furnish a surety for balance 50%. The Supreme Court has also clarified that the successful party in the appeal shall be entitled to interest on the amount stayed by the Court, at such rate as may be directed at the time of the final disposal of appeal. Accordingly the Company has already deposited ₹ 460 Lakhs and furnished a surety for ₹460 Lakhs towards the balance service tax liability, while interest, whose quantum and applicability is presently not ascertainable, will be provided on the disposal of the petition, if required.

Further, the Company has also been making provision for service tax on rent from October 2011 onwards, the balance whereof as on 30th September 2018 ₹ 1,190.34 Lakhs (31st March 2018 : ₹1,172.42 Lakhs) .

Movement of provision for claims on leased properties	For the period ended 30th September 2018 ₹ Lakhs	For the period 8th February 2017 to 31st March 2018 ₹ Lakhs
Opening balance	1,172.42	-
Acquired pursuant to the Scheme (refer note 43)	-	1,137.49
Provision created during the period	17.92	79.36
Less: Provision reversed / paid during the period	-	(44.43)
Closing balance	1,190.34	1,172.42

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23 Revenue from operations

	For the half year ended 30th September 2018 ₹ Lakhs	For the period 8th February 2017 to 31st March 2018 ₹ Lakhs
Sales of goods	1,14,071.92	1,06,965.47
Sale of concessionaire products	1,952.75	1,643.48
Total	1,16,024.67	1,08,608.95
Less: Tax	(10,815.23)	(10,603.19)
Less: Cost of goods sold for concessionaire products	(1,483.26)	(1,246.08)
	1,03,726.18	96,759.68
Other operating revenue	5,297.73	7,526.28
	1,09,023.91	1,04,285.96

24 Other income

	For the half year ended 30th September 2018 ₹ Lakhs	For the period 8th February 2017 to 31st March 2018 ₹ Lakhs
Interest income		
- Bank deposits	846.01	722.85
- Rental deposits	106.93	90.62
- Others	7.45	-
Gain on sale of investments	38.93	62.41
Fair value gain on non-current investments	56.57	-
Net gain on sales of property, plant and equipment	18.81	-
Miscellaneous income	262.10	26.47
	1,336.80	902.35

25 Changes in inventories of traded and finished goods

	For the half year ended 30th September 2018 ₹ Lakhs	For the period 8th February 2017 to 31st March 2018 ₹ Lakhs
Inventories at the beginning of the period	24,592.40	-
Inventories acquired pursuant to the Scheme (refer note 43)	-	23,932.75
Inventories at the end of the period	25,607.01	24,592.40
Changes in inventories of traded and finished goods	(1,014.61)	(659.65)

26 Cost of raw materials consumed

	For the half year ended 30th September 2018 ₹ Lakhs	For the period 8th February 2017 to 31st March 2018 ₹ Lakhs
Inventories at the beginning of the period	79.29	-
Inventories acquired pursuant to the Scheme (refer note 43)	-	87.57
Purchases during the period	348.62	467.65
	427.91	555.22
Inventories at the end of the period	87.38	79.29
Cost of raw materials consumed	340.53	475.93

27 Employee benefits expense

	For the half year ended 30th September 2018 ₹ Lakhs	For the period 8th February 2017 to 31st March 2018 ₹ Lakhs
Salaries, wages and bonus	6,955.67	6,835.45
Contribution to provident and other funds (refer note 35)	428.49	465.52
Staff welfare expenses	317.87	301.24
	7,702.03	7,602.21

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28 Other expenses

		For the half year ended 30th September 2018 ₹ Lakhs		For the period 8th February 2017 to 31st March 2018 ₹ Lakhs
Power and fuel		2,284.94		1,805.14
Freight		97.13		111.90
Rent [refer note 33 (a)]		5,270.00		4,891.12
Repairs and maintenance				
- Plant and machinery		0.12		0.36
- Buildings		155.08		182.66
- Others		1,332.69		1,359.74
Insurance		33.73		36.36
Rates and taxes		316.55		227.66
Advertisement and selling expenses		1,683.53		1,191.42
Packing materials consumed		284.55		220.50
Travelling and conveyance		220.27		208.80
Auditor's remuneration				
- Statutory audit fees	33.75		2.20	
- Tax audit fees	5.29		-	
- Others	4.48		-	
- Tax	1.78		-	
- Reimbursement of expenses	1.42	46.72	-	2.20
Communication expenses		109.20		134.06
Printing and stationery		126.59		123.61
Legal and consultancy charges		209.99		134.89
Contract labour charges				
- Housekeeping expenses		1,451.96		1,442.91
- Security charges		783.17		746.68
Loss on sale/ write off of property, plant and equipment (net)		-		3.48
Bad debts / irrecoverable balances written off		-		3.14
Provision for doubtful store lease deposits / advances		13.31		-
Provision for bad and doubtful debts		68.20		80.97
Miscellaneous expenses		453.29		476.79
		14,941.02		13,384.39

29 Depreciation and amortisation

	For the half year ended 30th September 2018 ₹ Lakhs	For the period 8th February 2017 to 31st March 2018 ₹ Lakhs
Depreciation of property, plant and equipment (refer note 3.1)	1,081.62	1,367.34
Amortisation of intangible assets (refer note 3.2)	130.37	120.96
	1,211.99	1,488.30

30 Finance costs

	For the half year ended 30th September 2018 ₹ Lakhs	For the period 8th February 2017 to 31st March 2018 ₹ Lakhs
Interest expense	25.86	21.36
Other costs	386.79	358.87
	412.65	380.23

31 Earning per share (EPS)

Basic and diluted EPS have been calculated by dividing the profit / (loss) for the period attributable to equity holders of the Group by the weighted average number of Equity shares outstanding during the period.

	For the half year ended 30th September 2018	For the period 8th February 2017 to 31st March 2018
Profit / (loss) for the period (₹ Lakhs)	67.34	(1,412.69)
Weighted average number of equity shares for earning per share *	7,95,34,226	3,47,40,957
Earnings per share – basic and diluted (face value of ₹ 5 each)	0.08	(4.07)

* For the purpose of calculating earnings per share for the half year ended 30th September 2018 and for the period 8th February to 31st March 2018, the equity shares issued pursuant to the Scheme (refer note 43) have been considered effective as on 1st October 2017, being the appointed date under the Scheme and the equity shares of Spencer's Retail Limited (formerly known as RP-SG Retail Limited) outstanding stands cancelled from the aforesaid date.

32 Significant accounting judgement,estimates and assumptions

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

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

The cost of the employment benefit plans and their present value are determined using actuarial valuations which involves making various assumptions that may differ from actual developments in the future. For further details, refer Note 35.

(b) **Non recognition of deferred tax asset**

Deferred tax asset of ₹ 41,602.05 Lakhs (31st March 2018: ₹ 49,737.92 Lakhs) relating to deductible temporary differences, and unused tax losses has not been recognized in the balance sheet.

33 Commitments and contingencies

a) **Leases**

Operating lease commitments (Group as Lessee)

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

	30th September 2018 ₹ Lakhs	31st March 2018 ₹ Lakhs
Lease expenses for the period	5,270.00	4,891.12
Future Minimum Lease Payments -		
Not Later than one year	7,432.39	7,136.24
Later than one year but not later than five years	30,178.50	28,040.31
Later than five years	49,212.65	46,134.26

b) **Contingencies**

Contingent liabilities not provided for in respect of:		
- Sales Tax/VAT demands under appeal	1046.27	951.20
- Service Tax demands under appeal	553.89	553.89
- Claims against the Group not acknowledged as debt	4601.95	4397.26

c) **Commitments**

- Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	874.09	277.53
- for Investments	750.00	750.00

34 Segment information

The Group has identified 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.

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35 **Gratuity and other post employment benefit**

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 favorable than the provisions of the Payment of Gratuity Act, 1972. The scheme is funded with an insurance company.

a) The following tables summarises the components of net benefit expense recognised in the interim consolidated statement of profit and loss and other comprehensive income for the period:

	For the half year ended 30th September 2018 ₹ Lakhs	For the period 8th February 2017 to 31st March 2018 ₹ Lakhs
Expenses recognised in the interim consolidated statement of profit and loss		
Current service cost	30.23	31.78
Interest cost	13.90	14.68
Interest income	(3.03)	(2.18)
	41.10	44.28
Expenses recognised in other comprehensive income		
Net actuarial (gain) / loss recognised in the period	72.74	29.44
Total expense	**113.84**	**73.72**

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

(i) Net asset / (liability) recognised as on the Balance Sheet date:

	30th September 2018 ₹ Lakhs	31st March 2018 ₹ Lakhs
Present value of defined benefit obligations	389.31	401.64
Fair value of plan assets	108.60	73.25
Net asset / (liability)	**(280.71)**	**(328.39)**

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

	30th September ₹ Lakhs	31st March 2018 ₹ Lakhs
Present value of defined benefit obligation at the beginning of the period	401.64	-
Current service cost	30.23	31.78
Interest cost	13.90	14.68
Transferred pursuant to the Scheme (refer note 43)	-	424.01
Balance as at acquisition of subsidiary	-	7.30
Benefits paid	(129.58)	(103.64)
Actuarial losses on obligation	73.12	27.52
Arising from changes in experience	96.75	27.56
Arising from changes in demographic	-	-
Arising from changes in financial assumptions	(23.63)	(0.04)
Present value of defined benefit obligation at the end of the period	**389.31**	**401.64**

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

	30th September 2018 ₹ Lakhs	31st March 2018 ₹ Lakhs
Fair value of plan assets at the beginning of the period	73.25	-
Interest income	3.03	2.18
Contributions by employer	161.52	120.00
Transferred pursuant to the Scheme (refer note 43)	-	55.68
Balance as at acquisition of subsidiary	-	0.95
Actual benefits paid	(129.58)	(103.64)
Actuarial gains / (losses)	0.38	(1.92)
Fair value of plan assets at the end of the period	**108.60**	**73.25**

(iv) The Group expects to contribute ₹ 20.81 Lakhs (31 March 2018: ₹ 33.68 Lakhs) to gratuity fund in next year.

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

	30th September 2018	31st March 2018
Investments with insurer	100%	100%

(vi) Actuarial assumptions:

	30th September 2018	31st March 2018
Discount rate	8.25%	7.70%
Expected rate of return on assets	8.25%	7.70%
Employee turnover	Grade wise attrition ranging from 12% to 67%	Grade wise attrition ranging from 12% to 67%

(vii) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(viii) Contribution to provident and other funds includes ₹ 236.99 Lakhs (₹ 290.65 Lakhs) paid towards defined contribution plans.

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

	30th September 2018		31st March 2018	
Assumptions	**Discount rate**		**Discount rate**	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
	₹ Lakhs	**₹ Lakhs**	**₹ Lakhs**	**₹ Lakhs**
Impact	19.72	(21.39)	21.40	(23.30)
Assumptions	**Future salary**		**Future salary**	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
	₹ Lakhs	**₹ Lakhs**	**₹ Lakhs**	**₹ Lakhs**
Impact	(21.69)	20.12	(23.52)	21.75
Assumptions	**Mortality**		**Mortality**	
Sensitivity level	10% increase	10% decrease	10% increase	10% decrease
	₹ Lakhs	**₹ Lakhs**	**₹ Lakhs**	**₹ Lakhs**
Impact	(0.74)	0.73	(0.74)	0.71
Assumptions	**Attrition rate**		**Attrition rate**	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
	₹ Lakhs	**₹ Lakhs**	**₹ Lakhs**	**₹ Lakhs**
Impact	(2.51)	2.52	(2.05)	2.04

(a) Based on interest rates of government bonds
(b) Based on management estimate
(c) Based on IALM 2006-2008 ultimate mortality table

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36 Related parties and their relationship

(A)

Name	Relationship	Place of Incorporation	Ownership Interest(%)	Ownership Interest(%)
			30-Sep-18	31-Mar-18
Rainbow Investments Limited	Parent (having Control in terms of Ind As 110)	India	Having Control in terms of Ind As 110	Having Control in terms of Ind As
Sunil Bhandari (upto 14th November 2018)	Director	-	-	-
Gautam Ray (upto 14th November 2018)	Director	-	-	-
Rajarshi Banerjee (upto 27th November 2018)	Director	-	-	-
Sanjiv Goenka (w.e.f 14th November 2018)	Non-Executive Director	-	-	-
Shashwat Goenka (w.e.f. 14th November 2018)	Non-Executive Director	-	-	-
Rahul Nayak (w.e.f. 14th November 2018)	Whole-time Director	-	-	-
Rekha Sethi (w.e.f. 14th November 2018)	Independent Director	-	-	-
Pratip Chadhuri (w.e.f. 14th November 2018)	Independent Director	-	-	-
Utsav Parekh (w.e.f. 14th November 2018)	Independent Director	-	-	-
Arvind Kumar Vats (w.e.f. 14th November 2018)	Chief Financial Officer	-	-	-
Navin Kumar Rathi (w.e.f. 14th November 2018)	Company Secretary	-	-	-

Other Related Parties having transactions during the period

(B) **Companies Under Common Control**

Name
Au Bon Pain Café India Limited
Bowlopedia Restaurants India Limited
CESC Limited
First Source Solutions Limited
Guiltfree Industries Limited
Kolkata Games and Sports Pvt Ltd
Open Media Network Pvt Ltd
Phillips Carbon Black Limited
Quest Properties India Limited
RPG Power Trading Co Ltd
Saregama India Ltd

(C) **Details of transactions entered into with the related parties:**

₹ Lakhs

Particulars	Companies Under Common Control		Total	
	Transaction Value	Balance Outstanding as on 30/9/2018	Transaction Value	Balance Outstanding as on 30/9/2018
Income from Sale of Goods				
CESC Limited	16.68	-	16.68	-
	(31.41)	(0.31)	(31.41)	(0.31)
Phillips Carbon Black Limited	7.71	-	7.71	-
	(9.50)	-	(9.50)	-
Others	5.51	-	5.51	-
	(10.77)	(0.31)	(10.77)	(0.31)

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₹ Lakhs

Particulars	Companies Under Common Control		Total	
	Transaction Value	Balance Outstanding as on 30/9/2018	Transaction Value	Balance Outstanding as on 30/9/2018
Purchase of Goods				
Guiltfree Industries Limited	100.98	12.26	100.98	12.26
	(48.34)	-	(48.34)	-
Saregama India Ltd	65.99	35.36	65.99	35.36
	(57.32)	(43.94)	(57.32)	(43.94)
Others	0.89	0.00	0.89	0.00
	(0.55)	(0.91)	(0.55)	(0.91)
Rendering of Services				
Guiltfree Industries Limited	56.35	15.45	56.35	15.45
	(62.49)	(27.34)	(62.49)	(27.34)
CESC Limited	372.27	207.67	372.27	207.67
	(3.99)	(3.99)	(3.99)	(3.99)
Others	2.37	-	2.37	-
	(0.78)	-	(0.78)	-
Purchase of Property and other Assets			-	-
Au Bon Pain Café India Limited	-	-	-	-
	(4.68)	(4.68)	(4.68)	(4.68)
Expense Recoverable				
CESC Limited	1,603.37	2,550.80	1,603.37	2,550.80
	(1,598.76)	(1,598.76)	(1,598.76)	(1,598.76)
Others	15.32	16.83	15.32	16.83
	(16.83)	(16.83)	(16.83)	(16.83)
Expense Incurred				
CESC Limited	90.53	16.35	90.53	16.35
	(60.06)	(4.84)	(60.06)	(4.84)
Quest Properties India Limited	285.65	176.19	285.65	176.19
	(329.51)	(83.21)	(329.51)	(83.21)
Others	0.19	-	0.21	-
	(0.46)	(5.17)	(0.46)	(5.17)
Security Deposit Receivable				
CESC Limited	3.45	27.74	3.45	27.74
	-	(24.29)	-	(24.29)
Others	-	107.95	-	107.95
	-	(107.94)	-	(107.94)
Security Deposit Payable				
Bowlopedia Restaurants India Limited	1.93	-	1.93	-
	(1.93)	(1.93)	(1.93)	(1.93)
Au Bon Pain Café India Limited	-	61.67	-	61.67
	(61.67)	(61.67)	(61.67)	(61.67)
CESC Limited	-	1.24	-	1.24
	-	(1.24)	-	(1.24)

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Notes to Interim Consolidated Financial Statements as at and for the half year ended 30th September 2018

₹ Lakhs

Particulars	Companies Under Common Control		Total	
	Transaction Value	Balance Outstanding as on 30/9/2018	Transaction Value	Balance Outstanding as on 30/9/2018
Sales Collection Received				
CESC Limited	1,219.59 (1,290.60)	2,519.38 (1,290.60)	1,219.59 (1,290.60)	2,519.38 (1,290.60)
Outstanding balance for the Period end				
Bowlopedia Restaurants India Limited				
Receivable	-	-	-	19.12
Payable	-	-	-	-
CESC Limited				
Receivable	-	-	-	2,802.56
Payable	-	-	-	2,510.19
Saregama India Ltd				
Receivable	-	-	-	2.25
Payable	-	-	-	35.36
Quest Properties India Limited				
Receivable	-	-	-	107.95
Payable	-	-	-	176.19
Guiltfree Industries Limited				
Receivable	-	-	-	15.45
Payable	-	-	-	12.26
Others				
Receivable				13.92
Payable				63.67

37 Fair Values

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

	30th September 2018 ₹ Lakhs	31st March 2018 ₹ Lakhs
Investments (unquoted) in equity shares	1.00	1.00
Investment in Alternative Investment Fund	711.67	684.16
Investment in Mutual Funds	423.17	-
	1,135.84	**685.16**

(ii) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, and mutual fund investments.

Valuation techniques with observable inputs (Level 2): 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). This level of hierarchy includes Group's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): 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 inpart, 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.

₹ Lakhs

	Fair Value Measurement Using			
	Level-1	**Level-2**	**Level-3**	**Total**
Investments (unquoted) in equity shares	-	-	1.00	1.00
	(-)	(-)	(1.00)	(1.00)
Investment in Alternative Investment Fund	-	-	711.67	711.67
	(-)	(-)	(684.16)	(684.16)
Investment in Mutual	423.17	-	-	423.17
	(-)	(-)	(-)	(-)

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

	₹ Lakhs
Balance as on 31st March 2018	**1.00**
Balance as on 30th September 2018	**1.00**

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38 Financial risk management objectives and policies

The Group's financial liabilities comprise other financial liabilities and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets include trade and other receivables, cash and cash equivalents, investments and deposits.

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

Market risk

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

Credit risk

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

Financial instruments and cash deposits

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

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

The Groups's maximum exposure to credit risk for the components of the balance sheet at 30th September 2018 and 31 March 2018 is the carrying amounts as illustrated in note 5, 9 and 11.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

39 Capital management

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

40 Ind AS 115 - "Revenue from contracts with customers", mandatory for reporting periods beginning on or after 01st April 2018, replaces existing revenue recognition requirements. Accordingly, the Group has applied the modified retrospective approach and therefore the revenue for the year ended 31st March 2018 are not comparable with the revenue for the half year ended 30th September 2018. There are no adjustments required to the retained earnings as at 1st April 2018. Further, due to the application of Ind AS 115, revenue from operations and cost of goods sold is lower by ₹ 3,419.45 Lakhs for the half year ended 30th September 2018, on account of no specific performance obligation to provide a distinct good or service. However, this does not have any impact on the profit for the half year ended 30th September 2018.

41 Contract balances:

	30th September 2018 ₹ Lakhs	31st March 2018 ₹ Lakhs
Trade receivable	5,752.20	3,720.68
Contract liabilities	441.47	362.41

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

Contract liabilities include short term advances from parties for rendering various services.

42 Additional information in respect of net assets and profit / loss of each entity within the group and their proportionate share

	As at 30th September 2018		For the half year ended 30th September 2018		As at 31st March 2018		For the period 8th February 2017 to 31st March 2018	
	Net Assets, i.e. Total assets minus total liabilities		Share in Profit or Loss		Net Assets, i.e. Total assets		Share in Profit or Loss	
	As a % of total	₹ Lakhs	As a % of total	₹ Lakhs	As a % of total	₹ Lakhs	As a % of total	₹ Lakhs
Holding :								
Spencer's Retail Limited (formerly kmown as RP-SG Retail Limited)	106%	58,037.00	3006%	306.90	106%	58,085.12	65%	(942.92)
Subsidiary :								
Omnipresent Retail India Private Limited	-6%	(3,314.60)	-2906%	(296.69)	-6%	(3,372.93)	35%	(499.21)
Total	100%	54,722.40	100%	10.21	100%	54,712.19	100%	(1,442.13)

43 The Board of Directors at its meeting held on 22nd May, 2017 approved, subject to necessary approvals, a composite scheme of arrangement (the Scheme) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 involving the Group, CESC Limited (CESC), Spencer's Retail Limited and seven other subsidiary companies of CESC as on that date. The Scheme, inter alia, provided for, interalia, demerger of identified Retail Undertaking(s) of the Spencer's Retail Limited and CESC Limited as a going concern into Spencer's Retail Limited (formerly known as RP-SG Retail Limited).

The Group received on 5th October, 2018 the certified copy of the order of National Company Law Tribunal (NCLT), being the appropriate authority which included the approval for the above referred activities. Accordingly, the Board of Directors in its meeting held on 12th October, 2018 had decided to give effect of the Scheme in terms of the NCLT Order as applicable to the Group with from the Appointed Date of 1st October, 2017 in its accounts for the year ended 31st March, 2018. The Net Assets acquired as at the Appointed Date at book value are as below:

CESC Limited	₹ 20,970.51 Lakhs
Spencer's Retail Limited	₹ 39,045.74 Lakhs

Pursuant to the Scheme, each existing shareholder of CESC Limited registered on the record date of 31st October, 2018 in respect of every 10 shares is entitled to 6 fully paid up equity shares of ₹ 5 each in Spencer's Retail Limited (formerly known as RP-SG Retail Limited) and CESC Limited is entitled to 500,000 fully paid up 0.01% non-cumulative compulsorily redeemable preference shares of ₹ 100 each being issued by the Group.

44 Previous period figures have been regrouped/reclassified wherever necessary to correspond with current period classification / disclosure.The figures appearing in the consolidated statement of profit and loss for the period ended 31st March 2018 of the Group represents the figures from 8 February 2017 to 31 March 2018. Hence current period figures are not comparable with previous period figures.

For **Batliboi, Purohit & Darbari**
Firm Registration number - 303086E
Chartered Accountants

CA Hemal Mehta
Partner
Membership No. 063404

For and on behalf of Board of Directors

Shashwat Goenka

Shashwat Goenka
Director
DIN: 03486121

Sanjiv Goenka
Chairman
DIN: 00074796

Rahul Nayak
Whole-time Director
DIN: 06491536

Navin Kr. Rathi

Navin Kumar Rathi
Company Secretary

Arvind Kumar Vats
Chief Financial Officer

SPENCER'S RETAIL LIMITED KOLKATA 700001

Place : Kolkata
Date : 11th January 2019

BATLIBOI PUROHIT & DARBARI 7, Waterloo Street, Kolkata 700069 Chartered Accountants