SRL:SEC:SE:2020-21/24

10 July, 2020

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

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

The Secretary
The Calcutta Stock Exchange Limited
(Scrip Code: 30028)
7, Lyons Range
Kolkata – 700 001

Dear Sir,

Third Annual General Meeting & Book Closure

Further to our letter no. SRL:SEC:SE:2020-21/20 dated 6 July, 2020, we write to inform you that the Register of members will remain closed from 27 July, 2020 to 3 August, 2020 (both days inclusive) for the purpose of Third Annual General Meeting of the Company to be held through Video Conferencing / Other Audio Visual Means on Monday, 3 August, 2020 at 12.30 pm (IST).

Copies of the Notice and Annual Report being dispatched to the shareholders are attached herewith.

Yours faithfully,
For Spencer's Retail Limited

SPENCER'S RETAIL LIMITED

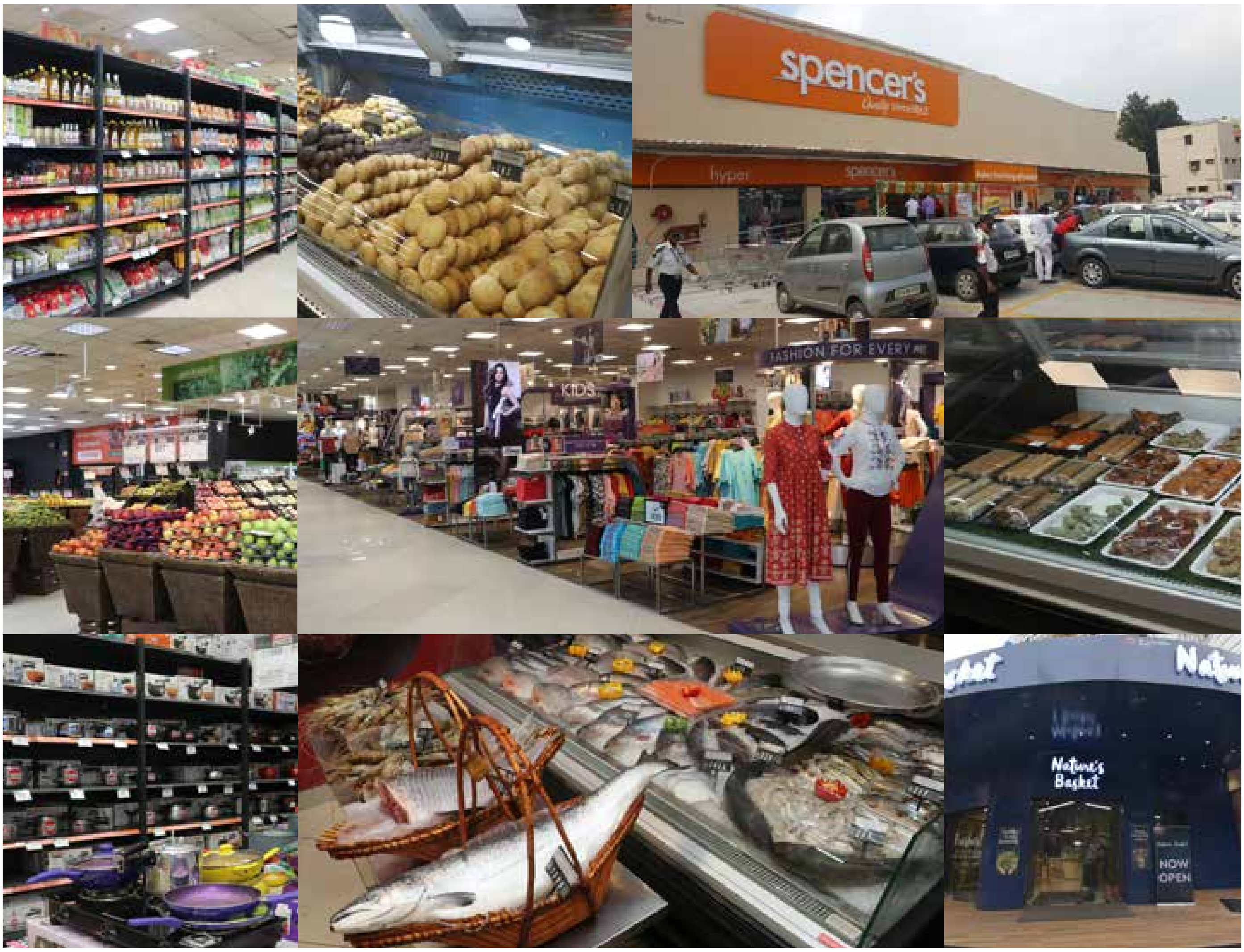
Rama Kant
(Company Secretary)
FCS-4818

ROBUST
PLATFORM

RP - Sanjiv Goenka Group
Growing Legacies

spencer's
Makes fine living *affordable*

Nature's Basket



SPENCER'S RETAIL LIMITED | ANNUAL REPORT FY2019-20

SPENCER'S RETAIL LIMITED
(Formerly known as RP-SG Retail Limited)

CORPORATE INFORMATION

Board of Directors	
Name of the Directors	**Designation**
Dr. Sanjiv Goenka	Non–executive Non-Independent Director and Chairman
Mr. Shashwat Goenka	Non-executive Non-Independent Director
Mr. Pratip Chaudhuri	Non-executive Independent Director
Ms. Rekha Sethi	Non-executive Independent Director
Mr. Utsav Parekh	Non-executive Independent Director
Mr. Debanjan Mandal	Non-executive Independent Director
Mr. Devendra Chawla	CEO and Managing Director
Mr. Rahul Nayak	Whole-time Director
Key Managerial Personnel	
Mr. Kumar Tanmay	Chief Financial Officer (CFO)
Mr. Rama Kant	Company Secretary and Compliance Officer
Auditors	**Solicitors**
S.R. Batliboi & Co. LLP, Chartered Accountants	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 – 700 027, India
Tel : 033-2487 1091

Corporate Identity Number:
L74999WB2017PLC219355
E-mail: spencers.secretarial@rpsg.in
Website: www.spencersretail.com

Wholly Owned Subsidiary
Natures Basket Limited (w.e.f. 4th July, 2019)
Omnipresent Retail India Private Limited.

Bankers
ICICI Bank Limited
Axis Bank Limited
Yes Bank Limited
State Bank of India
HDFC Bank Limited
Standard Chartered Bank
RBL Bank Limited

Listing of Shares
The National Stock Exchange of India Limited (NSE)
The BSE Limited (BSE)
The Calcutta Stock Exchange Limited (CSE)

Registrar and Share Transfer Agent
Link Intime India Private Limited
Address -C 101, 1st Floor, 247 Park,
L B S Marg, Vikhroli West,
Mumbai – 400083
Tel: +91 22 49186000
Email Id: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

Depositories
National Security Depository Limited (NSDL)
Central Security Depository (India) Limited (CDSL)

Content

ROBUST PLATFORM

There is a significant transformation underway in India's retail sector.

Consumers are turning increasingly to omni-channel engagements with retailers. As a result, online modes are beginning to coexist with brick-and-mortar stores in driving offtake. Suddenly, it is not offline or online; the new order of the day is offline *and* online.

At Spencer's, we transformed our operating platform with speed and agility, providing customers with the convenience and option to purchase through multiple channels.

A Spencer's in-store visit provides safety and convenience of buying differentiated offerings, wide range of assortments and a superior customer experience. We provide our online customers with a greater convenience of accessibility and doorstep delivery over pure play online players.

By complementing these initiatives with Phone delivery, ChatBot and WhatsApp ordering, Spencer's has made it possible to buy anything, anytime and from any place.

We will continue to position our stores as hubs to ensure that if someone needs to buy, Spencer's is never more than an arm's length away.

Corporate snapshot

The exciting world of Spencer's Retail Limited

Ethical pedigree

Vision: Inclusive growth fired by free-spirited entrepreneurship

Our presence, 31st March 2020

191

Stores across the country

Rich legacy

Spencer's Retail Limited was established in 1893 by a British national in India. The company acquired Indian ownership in the 1960s and became part of the RPG Group in 1989. The company became one of the earliest entrants in India's modern organised retail space when it launched India's first hypermarket in Hyderabad in 2000.

Diversified product offerings

The company is a modern retailer providing a wide range of quality products across India. The company offers products across diverse categories (food, fashion & lifestyle, personal care, general merchandise, consumer durables, and electrical). It provides a wide choice across 88,000+ SKUs across these categories. The Company established a differentiated recall through specialty sections comprising Spencer's Gourmet, Patisserie, Wine, Liquor and Epicuisine; and Natures Basket comprises L'Exclusif, Natures and Healthy Alternatives.

Footprint

Headquartered in Kolkata, India, the Company enjoys a pan-India presence. The Company operates 191 retail stores (including Natures Basket) of various formats in 42 cities across a trading area of 14.60 lakh sq ft. The Company selected to deepen its presence through brick-and-mortar stores in North, East, West and South India coupled with an extensive online presence in 17 Indian cities.

Brand

The company has invested in proprietary brands, marked by a range of offerings, celebrity endorsements and a superior price-value proposition. The Company's brands cover categories like Apparel, FMCG, Personal care, Home care and Electricals. These popular brands comprise 2Bme, Smart Choice, Double tick, HandsOn, Numkeen, Bath Beauty & Co, Besser and Inscapes.

Strategic distribution centers

The company's 14 distribution centers for Spencer's and Natures Basket are strategically located to moderate logistics delivery tenures, optimise logistics costs and respond to markets with speed.

Listing

The equity shares of the Company are listed on Bombay Stock Exchange, Calcutta Stock Exchange and National Stock Exchange where they are traded actively. The Company's market capitalisation was ₹590 crore as on 31st March 2020.

Employee base

The Company employed 3821 front-facing customer-servicing employees and 1403 managers as on 31st March 2020. The average age of the Company's workforce was 28 years on that date.

Chairman's overview

Our principal business-strengthening initiative during FY2019-20 was the acquisition of Natures Basket.

Dear shareholders,

The year under review proved to be a difficult period for the Indian economy. The country reported a multi-year low GDP growth of 4.2%. The weak consumer sentiment translated into relatively weaker spending. At a time when there was a premium on protecting our fundamentals, Spencer's focused on growing its business and reported 8.5% growth in revenues and held its EBITDA margins at 4.6%.

At Spencer's, we will accelerate our transformation and deepen our relevance. We believe that our competitiveness will be derived from omni-channel consumer access, judicious store rollout, distinctive positioning in the minds of our consumers, a balance of lifestyle and essential products, a shift towards non-food & apparel in the product mix, prudent management of cash flows, growing revenues from asset-light initiatives and remaining alive to sectoral opportunities.

Inorganic growth

Our principal business-strengthening initiative during FY2019-20 was the acquisition of Natures Basket. The acquisition was made in view of the strong private brands of Natures Basket, a scale-up opportunity for the brand, attractive intrinsic profitability, and a complementary business model where the aggregate would prove larger than the standalone sum of the constituents. This gave us an entry into Mumbai and the western part of India, opening up a significant growth region for us.

During the year under review, we focused on various initiatives to transform Natures Basket's business model. We focused on integrating the acquired company (and respective owned brands) into Spencer's ecosystem by blending the two operations, enhancing cross-sale, replicating parts of Natures Basket operations into Spencer's and rationalising some unviable Natures Basket stores. By the close of the financial year under review, the operating cost structure at Natures Basket had improved considerably and the Company reached our desired negative working capital position.

National context

India accounts for a population of 400 million millennials, arguably one of the largest such countries. Consumption expenditure was expected to reach ~US$ 3,600 billion in 2020 and the retail sector continues to be an exciting space. With increased access to smartphones and low data costs, these shoppers prefer an omni-channel shopping experience.

The online preference became more visible following the outbreak of Covid-19. Consumers opted to buy essentials and other products from home in a bigger way than they had done in the past. The result is that India's online grocery market could exceed US $3 billion in sales in 2020, a substantial 76% increase over the previous year following a demand spike for the home delivery of fresh produce.

Preparedness

The pandemic has compelled companies to extend beyond the short-term reality of demand destruction and focus on initiatives that enhance long-term sustainability.

Spencer's is attractively positioned to capitalise on the omni-channel opportunity. The Company did not just respond to this sectoral inflection point with a relevant mobile application and home delivery; it invested in enhancing proximity to consumers through phone call-based delivery, Chatbots and WhatsApp-driven product delivery using its stores as hubs. Besides, Spencer's collaborated with Uber and other delivery partners for product supply, strengthening its last-mile capability.

Spencer's is attractively positioned to capitalise on the omni-channel opportunity. The Company did not just respond to this sectoral inflection point with a relevant mobile application and home delivery

We are optimistic that the complement of these initiatives will strengthen our competitiveness through this challenging phase, protect our fundamentals and empower us to capitalise when the consumer sentiment turns for the better.

Dr. Sanjiv Goenka
Chairman

CEO's overview

Spencer's Retail. Serving in the new normal

Spencer's Retail is no exception to the challenging times faced during the year under review. There was a need to manage growth without compromising margins, counter the weakening consumer sentiment through the year and adapt our responsiveness to market realities following the lockdown related to the Covid-19 pandemic from late March 2020.

Growing experiential retail through hyper-local engagements and making festivals big

We have an intrinsically profitable business model marked by a prudent presence in select regions and cities, stores in accessible locations, right-sized hypermarkets and a measured store rollout plan, asset-light model, growing focus on proprietary non-food brands and increasing priority for lifestyle products. Besides, our strategy has been to review our product assortment with a growing weightage for high-velocity products, local produce and a larger velocity for core and basic products as well as fashion apparel.

> In July 2019, the Company made a decisive acquisition of Natures Basket. The objective of the acquisition was to reinforce scale, brand, economies, geographic footprint and category presence.

During the year under review, we focused on making Spencer's a store of choice in the neighborhoods we served. We started with a direct customer engagement program across all our stores; we reached out to more than 1.5 lakh customers a month. Being part of the community via hyperlocal engagements, apart from celebrating regional festivals and building personalised connect with customers through phone delivery, residents' welfare association-connect, we are making Spencer's an experiential and value-enhancing retail brand. Spencer's made festivals big and celebrated events, attracting new customers.

Decisive acquisition

In July 2019, the Company made a decisive acquisition of Natures Basket. The rationale for the acquisition was validated through the course of the year when the management of Spencer's Retail leveraged its rich sectoral understanding to restructure the acquired business, integrate functions, leverage synergies, and transfer best practices the results of which are becoming visible.

Omni-channel. Scale up with unit economics improvement

We embraced the 'new normal' of omni-channel retail, converging the physical and digital divide. Our stores doubled as safe locations from where consumers could buy essentials safely; they also served as out-of-store business locations responding to consumer needs through the e-commerce app, phone delivery and WhatsApp connect.

Our online business experienced a milestone last year where we not only consistently scaled the number of monthly active users but also positively turned around our unit-level economics. Our unit level economics grew 45% with a substantial increase of 125% in our registered customer base. On the overall, the number of orders grew 175%, which helped us significantly moderate delivery costs.

Agility in responding to the pandemic

There is a premium on brands to rise to the new normal and transform from 'business-as-usual' to 'leadership-in-crises'. There is a need to re-strategise, re-align, and re-think new principles. As an essentials business, Spencer's Retail demonstrated this ability from the last quarter of the last financial year and into the first quarter of the current, while addressing the pandemic.

This transformation required every function to recreate, realign, and solve consumer issues with speed. We established a central communication center that facilitated seamless information flow coupled with ongoing feedback.

The ownership to serve millions of consumers with daily essentials was embraced by our determined workforce across levels, functions, and geographies; our front-liners demonstrated an undaunted resolve to serve. For example, some traveled miles to work on the first day of the lockdown in the absence of public transport (until we arranged dedicated transport a day later) to maintain our high service commitment.

As a responsible organisation, we recreated Standard Operating Procedures for our staff; we institutionalised safety and hygiene procedures for our shop floors and home deliveries, comprising the mandatory use of sanitisers, masks, daily temperature checks, social distancing and contactless delivery.

Creating an eco negative system of partnerships

At Spencer's Retail, the pandemic became a test of our adaptability and agility. We pivoted to our 'Store-as-a-platform' strategy. We circumvented people's availability limitations by widening our ecosystem through last-mile partnerships with Uber, Rapido, Zypp and Delhivery etc. We transformed our stores into omni-channel hubs that provided the convenient home delivery of essentials to thousands. We ramped online deliveries multiples times over, deepening our relevance. Besides, we entered into collaborations with major food and FMCG players to solve reverse logistics in addition to partnerships to enhance fleet turnaround to bring food essentials into our stores.

Making change happen

The ability of our people to outperform across functions, work virtually from home and our front-liners in exceeding themselves at stores, hubs, distribution and collection centers, delivery points and consumer doorsteps have showcased a transformative yet humane and empathetic leadership.

> During the year we have improved our working capital by managing our inventory efficiently.

We believe that this culture will drive us to serve every single moment every single day and every single delivery to every single consumer.

Devendra Chawla
Chief Executive Officer

How Spencer's transformed its business in FY2019-20

Challenges

- Increasing competition from online grocery players
- Need to stabilise operations of new stores
- Need to increase the non-food share of sales
- Enhance organisational efficiency

Initiatives

Out-of-store platform

- Leveraged our store presence to reach more customers
- Launched direct, WhatsApp and phone orders
- Pitched Grocery on Wheels program to resident welfare associations
- The platform helped ramp operations during the lockdown

Barring liquor, the Company was among a handful of retailers to outperform industry growth in terms of single-store growth

Taking Spencer's to customers

- Identified regular customers for all stores
- Store executive invited each customer to the store
- The customers were welcomed in the store with chocolates

Swagat Project reached more than 2 lakh customers in FY2019-20

Improved assortment

- Imported global assortment (apples from the US and kiwis from New Zealand, among others)
- Partnered greenhouse farmers in sourcing exotic vegetables
- Focused on growing private brands through brand refreshment
- Packaging made more attractive; best-in-class quality
- First to commence 'Shop Safe' campaign (dedicated health and hygiene zone)

The 'fresh' section at Spencer's reported high single-digit growth in 2019-20

Focusing on the non-food share of revenues

- At Spencer's, grocery helps draw customers for volumes; growing focus on increasing non-food share for margins
- Refreshed the 2Bme apparel brand; transformed store layout; enhanced apparels focus
- Trained floor managers to provide superior customer assistance in apparel marketing
- Rejuvenated the general merchandising business
- Introduced non-food items across other platforms (mobile)

Enhanced shopping experience

- Spencer's provides customers a rich shopping experience
- 27 stores were refitted in FY2019-20
- Stores were re-designed for superior customer experience
- Implemented superior in-store shopper connectivity
- Introduced farmer's market (fresh food produce)

Spencer's enhanced in-store experience generated repeat footfalls

Increasing efficiency

- Focused on strengthening efficiency without enhancing costs
- Invested in technologies; upgraded the mobile application and website

Spencer's enhanced efficiency and catalysed growth

Promotions and marketing

- Created a unique Black Friday sale; acquired new customers
- Launched promotional properties like 'India wants to save', among others
- Created special events around regional festivals
- Launched events like Thai Food Festival, driving the offtake of specific assortments
- Built capability for institutional sales
- Launched promotional offers addressing the monthly basket (Zyada ka fayda)
- Widened social media footprint (Twitter, Instagram, Facebook and YouTube)

These initiatives reinforced Spencer's positioning as a distinctive retail destination

Efficient growth

- Centralised procurement and volume-based discounts
- ~80% assortment procured locally and 20% regionally strengthened affordability
- Integrated multiple warehouses into a single location
- Strengthened warehouse management software; higher warehouse efficiency
- Enhanced availability of faster-moving items
- Better use of data analytics and artificial intelligence
- Joint business planning with top 15 manufacturers for better store availability
- Lower inventory despite business growth

Despite increased throughput expansion, Spencer's supply chain cost (by quantum) remained flat

Human Resource Management

How we grew competencies at Spencer's

In a people-intensive retail business, where realities transform every day, there is a premium on responsiveness in line with evolving consumer preferences and conveniences.

Capability building

Over the years, Spencer's focused on enhancing its presence in the non-food segment. The Company focused on change management, topline growth and bottomline accretion across its non-food business, with a growing bias for fashion apparel. The HR team trained the 2Bme team in superior product positioning and customer service.

Project Swagat made it possible for Spencer's stores to call customers and invite them to the store. During the low-footfall afternoon period, employees visited neighborhood homes with shopping vouchers and chocolates, inviting customers to visit their store. The Spencer's team was trained to make home calls based on a script jointly developed by the sales, marketing and human resource teams. The result was a significant increase in footfalls and billing during the year under review.

The Company built employee capabilities for out-of-store initiatives comprising phone delivery and e-commerce delivery with the objective to generate at least 30% revenues from out-of-store platforms.

Great Place to Work

Spencer's Retail was certified as a Great Place to Work. This reflects the Company's focus on creating strong employee values and an enabling work environment. The values followed by the Company were encapsulated in the Company's core values, respected by each employee.

Health and safety initiatives

Spencer's initiated health and hygiene initiatives ahead of stipulations by the government. The Company mandated masks and use of sanitisers for its employees as well as customers. It sanitised stores regularly to ensure a hygienic work environment. To ensure manpower availability, the Company arranged pick-up facilities for employees, apart from arranging for meals.

Apprenticeship program

During the year under review, the Company launched an apprenticeship program through the government's skill development program. This program provided apprenticeship to fresh talent followed by part-time engagement opportunities that proved win-win: helped the Company moderate people costs and a part-time engagement for the individual with the possibility of graduating it to full-time employment within six months.

Career progression

The Company continued to provide career growth opportunities to full-time employees through the MyGrowth program. Following the introduction of this program, a number of first-level employees were promoted to team leaders and department managers. Besides, the Company selected to plug critical managerial roles from within, providing promising talents with the prospect of career growth. The Company strengthened people's productivity through a robust performance management system. The My Career Progression framework accelerated continuous learning and the opportunity of promotion for the deserving to the next level after 18 months.

Addressing the Covid-19 crisis

During the Covid-19 pandemic, the Company operated 90% of its stores across the country. The Company successfully mobilised employees, raising its fill rate from 17% to 25% within a fortnight of the lockdown. During this challenging phase, the Company prioritised employee safety through the provision of secure transport, enhancing attendance to 40%. Besides, the Company engaged with Dr. Lal's Path Labs to screen employee health, transported desktops to employee residences to facilitate work from home, and recruited more than 750 individuals within a couple of days.

During the Covid-19 pandemic, the Company operated 90% of its stores across the country. The Company successfully mobilised employees, raising its fill rate from 17% to 25% within a fortnight of the lockdown

Spencer's acquisition of Natures Basket

Spencer's acquired the distinguished Natures Basket stores during the financial year under review.

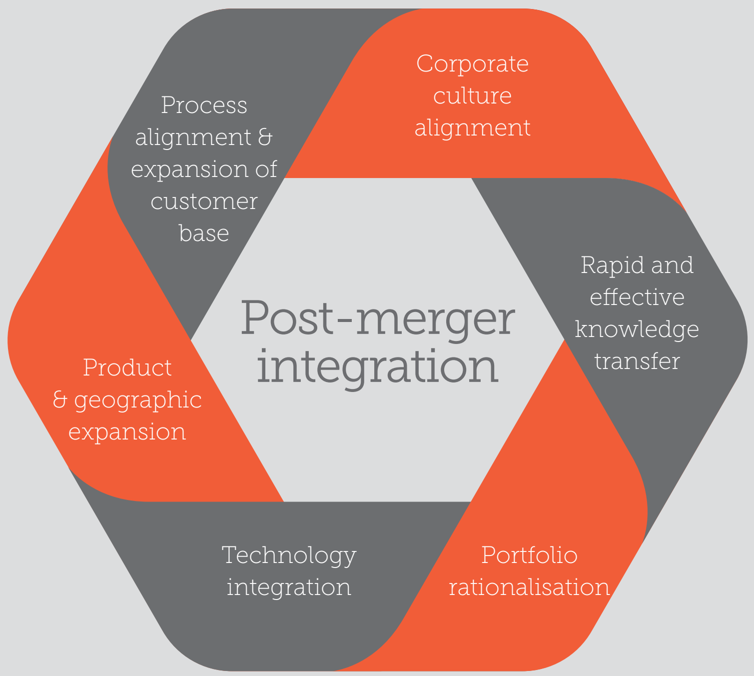
Natures Basket specialises in gourmet, grocery and food. It has a range of health and wellness-focused products, organic food, imported ingredients and exotic foods, including international cuisine products that represent the premium, authentic and highest quality - a one-stop destination for the customer's multi-cuisine needs.

The acquisition proved complementary across a number of fronts. The acquisition helped Spencer's Retail expand its retail presence in Western India, a region for potential business growth. Natures Basket specialises in the gourmet section, its assortment complementing that of Spencer's Retail in being substantially different; it possesses strengths in the gifting category. Besides, the acquired company enjoys a strong private brand (Natures, L'Exclusif, and Healthy Alternatives), holding out attractive revenue-enhancing opportunities. The extent of complementarity represents a neat business fit expected to enhance the consolidated value of Spencer's offerings.

Following the acquisition, Spencer's focused on cultural, financial and technical integration. A structured approach made it possible to accelerate a number of integrations in FY2019-20, strengthening the consolidated performance without disturbing the acquired brand's customer experience.

The entities identified best practices derived from cross-implementation. The result was that Natures Basket's prominent Healthy Alternative brand was launched in some Spencer's stores during the year under review. Spencer's also leveraged the gifting learnings from the acquired business to scale revenues and profitability.

Natures Basket retained its brand, providing Spencer's with a market flanking opportunity. During the year, the first Natures Basket store was launched in Kolkata as a precursor to more such pan-India launches.



Spencer's competencies	Natures Basket's competencies
Strong presence in the Southern, Eastern and Northern markets in India	Presence in 31 stores and western market in India
A combined model of large and small format stores	Grocery and food retail
The trusted destination for fresh food, staples, FMCG and beverages as well as other non-food items	A destination for gourmet; hand-picked collection from across the globe
Increasing share of non-food assortments	High customer 'stickiness'
Driven by stringent processes and parameters	A unique section of gifts popular across stores as well as a strong presence in private brands

Advantages of the combined entity

- Pan-India presence
- Ready access across Maharashtra (~15% of India's GDP)
- Integrated sourcing and other common operations
- Share of best practices for each other
- Natures Basket's private brands can be introduced at Spencer's
- Differentiated business model of international foods completing Spencer's offerings across locations
- New stores in existing locations will help in a reduction of overheads
- Introduction of gifts section in Spencer's
- Scalable possibilities for Natures Basket brand outside Western India

Private brands

How private brands are growing at Spencer's

Globally private brands play an important role in driving profitability in the modern retail industry. In India, modern retailers are increasingly introducing private brands across categories. Spencer's has introduced a range of private brands across segments like food and staples, grocery, personal care, home and hygiene, furnishing and electric appliances. The Company sources directly from the manufacturer/grower, which helps it reduce cost and pass on benefits to customers. The quality team ensures the maintenance of stringent quality checks to provide best-in-class products for customers. The Company revamped the branding and packaging for its private brand products, making them more contemporary.

Natures Basket

Natures Basket has three private brands in its portfolio that spans across three tiers: specialty brands (Healthy Alternatives), Premium (L'Exclusif) and national brand equivalent/core (Natures). The brands enjoy traction and comprise 12.6% of Natures Basket's overall revenues.

Healthy Alternatives includes gluten-free, sugar-free and low calories food like quinoa, kale and chia as well as alternative snacking like roasted sunflower seeds and baked chips, among others.

L'Exclusif includes dried berries, chocolates, jujubes, ice-cream, cookies, bar bites, desserts like pastries and tarts, among others.

Natures includes staples like pulses, dal, atta, rice, spices, sugar, fruits and vegetables, dried fruit, dairy and eggs.

Following the acquisition, Spencer's introduced the Natures Basket's private brands in its stores and expects stronger traction in the coming years.

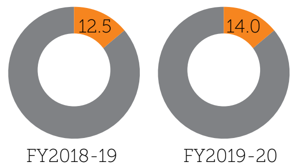
Spencer's Brands Portfolio

- Apparel: 2Bme
- FMCG: Smart Choice, Hands On
- Staples: Smart Choice
- Home: Hands On, Inscapes
- EnE: Besser

Natures Basket Portfolio

- Food: Healthy Alternatives, L'Exclusif, Nature's

The growing contribution of Spencer's private brands



Information technology

Technology for the back-end

The organised retail industry is critically dependent on information technology; Spencer's is no exception. All processes - planning and procurement to warehousing and sales - across our stores are hosted on our integrated information technology system. The core business runs on SAP IS Retail ERP and a proprietary point-of-sale tool. The transactional systems are synced via the iDoc technology offered by SAP.

The information technology platform provides real-time sales visibility across each point-of-sale. The effectiveness of the system lies in the fact that the planners and merchants are empowered to see the latest stock positions across levels. Besides, the information technology platform facilitates stock movements across warehouses and stores through technologies like smart hand-held terminals and mobile computing devices. Spencer's information technology platform is empowered to aggregate all diverse data streams and generate a consolidated monthly financial performance. This speed provides the Company with ample time to initiate corrective actions leading to the achievement of business objectives.

In addition to cutting-edge technologies like analytics, mobile-based report delivery, supplier management and dashboards, Spencer's invested in cloud technologies to drive Big Data initiatives. By the virtue of virtually unlimited computing power provided by cloud service providers, Spencer's extended to the decisive use of machine learning algorithms to forecast sales with accuracy. On the supply chain front our SAP comprised sophisticated Auto Replenishment system algorithm (ARS). At the stores, RPA technology such as hand-held tools facilitated a three way match.

To enhance customer experience, Spencer's invested in a touch-screen-driven point-of-sale tool, making it possible for consumers to scan available merchandise faster. Besides, the Company's in-house e-wallet provided superior customer value, strengthening loyalty and wallet share.

Integration of Natures Basket into Spencer's system

Spencer's initiated the integration of Natures Basket into its own system to enhance efficiency. The Company integrated the delivery centres and stores of Natures Basket into Spencer's ERP. Besides, the Company installed Spencer's PoS in Natures Basket stores. The business intelligence system was integrated into Spencer's system for a holistic view of the organisation.

> By the virtue of virtually unlimited computing power provided by cloud service providers, Spencer's extended to the decisive use of machine learning algorithms to forecast sales with accuracy

Our stakeholder value creation report

Objective

Integrated Reporting is a communication of how responsible future-facing companies enhance value for all their stakeholders in a sustainable way.

At Spencer's, the Integrated Report highlights prudent resource utilisation and value-creation across a range of our stakeholders (employees, customers, suppliers, business partners, communities, and policy-makers).

It explains how we enhance value through revenue growth, cost moderation, merchandise management, geographic presence, brand visibility and governance.

Our Environment-Society-Governance commitment

In the modern world, respect is being increasingly derived through a commitment to ESG investment, compliance and disclosures.

At Spencer's, we have made extensive qualitative investments with the objective to enhance value for all stakeholders

Environment

The Company embarked on several measures to protect the environment comprising energy conservation. The company made a start by installing solar panels in some of our stores, helping moderate carbon footprint. The Company opted for e-billing at select stores, reducing paper consumption. The company encouraged its customers to bring carry bags, reducing the use of plastic.

Society

The Company created an enabling environment for employees and contributed to society. Most of the Company's stores employ from neighboring communities, driving the local economy. It engaged with national skill development institutions in sourcing retail apprentices who were subsequently recruited following satisfactory performance.

Governance

The Company invested in governance-centric initiatives comprising management leadership, accounting transparency, stakeholder rights, and other credible business practices. The Company's Board comprised four experienced Independent Directors drawn from various fields. The Company's policies were periodically uploaded on its website.

Sectoral context

Disposable income: India's nominal per-capita net national income in FY2019-20 was estimated at ₹134,226 compared to ₹126,521 in FY2018-19, indicating income growth and a platform for consumer consumption growth.

Favorable demographics: With~66% of India's population below 35 years, India's median age was estimated at ~28 years compared to a global average of 30 in 2019, driving aspiration and consumption-led retail offtake.

Price-value proposition: The consumption pattern of India is seeing a paradigm shift from price-sensitivity to a superior price-value proposition.

Our overall value enhancement strategy

- Leveraging a long-standing presence in India's organised retail space
- Complement of essentials and lifestyle products
- Slant towards products that enhance lifestyle quality
- Superior price-value proposition
- Enduring stakeholder relationships (employees and customers)
- Stock SKUs close to manufacturing date, emphasising freshness
- Company-owned supply chain, enhancing agility
- Investing in cutting-edge technologies across the business

Our stakeholder strategy

Strategic focus	Employee focus	Customer focus	Supplier focus	Shareholder focus	Government focus	Community focus
Key enablers	Spencer's comprises talent focused on the organised retail sector Spencer's employed 5224 talents in FY2019-20; women accounted for 18.9% of employees. 14.63% of employees had worked with the Company for five years or more The average age was 28 years as on 31st March 2020	Spencer's focuses on customised offering for different customers through analytics and other customer connect and hyper local initiatives. The Company strengthened its ability to compete with peers based on sticker prices and service. The Company's share of private brands increased by more than 150 bps The Company made it big at festivals by creating consumer events	Spencer's has a company-owned supply chain, a formidable advantage. The Company deepened its existence across the areas of its presence (capitalising on the existing eco-system) rather than widening its footprint into new geographies	Spencer's reported a top line growth of 8.5% and 4.6% as EBITDA margin in FY2019-20. Non-food focus is likely to drive margins expansion Following the acquisition of Natures Basket, the Company's inventory and cash flow management strengthened. The Company's business became working capital-negative on a growing revenue base	Spencer's is a responsible corporate citizen The Company paid an aggregate ₹530 crore in indirect taxes in the 2 years ending FY2019-20	Spencer's is engaged in various community-building activities

Our value-creation in numbers*

Employee value

Employee Benefit Expenses (₹ crore)

FY2019-20	161
FY2018-19	142

The Company invested a progressively larger amount in employee remuneration, underlining its role as a responsible employer.

Customer value

Revenues (₹ crore)

FY2019-20	2373
FY2018-19	2187

The Company generated increased revenues, an index of the value created for customers.

Supplier value

Purchases (₹ crore)

FY2019-20	1833
FY2018-19	1750

The Company increased purchases from vendors over the years.

Government

Indirect taxes paid (₹ crore)

FY2019-20	275
FY2018-19	255

The Company contributed to the nation through the generation of indirect taxes, livelihood generation and timely compliances.

*For our standalone business only

Spencer's. A preferred destination for big retail days

Spencer's positioned as a retailer for all-occasion gifting

Performance

How we have performed financially...

Spencer's revenues increased 8.5% in FY2019-20 and reported on EBITDA margin of 4.6%

The business of Spencer's Retail remained EBITDA-positive during the year under review in spite of an addition in the number of retail stores by the Company and acquisition of Natures Basket. The ability to protect intrinsic profitability on a wider operating base was achieved through a number of initiatives directed at reducing the inventory, accelerating throughput, enhancing the proportion of out-of-store sales, increasing inventory turns, liberating working capital and turning working capital-negative through the course of the year.

During the year under review, we have acquired Natures Basket Limited and have mobilised ₹98 crore debt in Spencer's for business requirements. Our net consolidated debt of ₹191.5 crore is estimated to be comfortable with timely repayments and given our consolidated turnover of around ₹2640 crore.

Strengthening the performance of Natures Basket

There was a perceptible quarter-on-quarter improvement in the performance of Natures Basket as revenues increased, inventories declined, cash flows strengthened, the business turned working capital-negative and losses declined quarter-on-quarter. We believe that as the business of Natures Basket scales from this point onwards, it will reach its break-even point across the foreseeable future and thereafter contribute to the bottom line of the Company's business.

Stringent working capital management

In the past year, we have worked on the stringent management of our inventories. This, along with better terms of trade with our suppliers, helped us optimise our working capital requirement. During the year under review, we were able to achieve a negative working capital status.

How various initiatives strengthened our numbers

	FY19	FY20
Working capital days	1	(3)

	FY19	FY20
Inventory DOH on turnover	47	36

	FY19	FY20
Revenue per employee (lakh)	41	45

*For our standalone business only

How Spencer's protected the interest of stakeholders during the Covid-19 pandemic

Customers

General impact

- Movements were restricted out of homes
- There was a pre-emptive buying of essential commodities

Spencer's responses

- Sustained retail operations across more than 90% stores
- Spencer's sanitised its stores, implemented thermal checks and social distancing
- Launched an omni-channel approach (physical and virtual)
- Customer safety initiatives comprised sanitisers at the store entrance, sanitisation of stores/trollies and providing masks to customers and staff.
- Created multiple options for purchase including WhatsApp delivery, delivery on call, website, engagement with residents welfare associations (RWA) and mobile applications
- Entered into last-mile partnerships (Uber, Rapido, Zypp and Delhivery, among others) that facilitated home delivery; created partnerships within 3-4 days
- Initiated the use of thermal guns for screening customers; free masks were provided to customers for those not wearing one inside our store
- Created short snippets sharable on the social media for better outreach; outlined helpful and actionable messages for easy understanding
- Partnered Flipkart to market private brands

Employees

General impact

- Employee and customer safety became the primary objective (especially in other retail stores)
- High level of motivation for employees across all stores became a key challenge

Our responses

- Provided a protected workplace
- Extensively communicated precautions and preparedness
- Took initiatives to protect the mental, physical and financial well-being
- High workplace safety/sanitation standards
- Smoothly transitioned to working from home
- Arranged for meals for store employees working through the lockdown
- Leveraged video calls; facilitated secured virtual meetings
- Improved staff attendance from 15% initially to 60% within two weeks
- Trained delivery personnel for contactless delivery
- Hired vehicles to mobilise workforce; issued curfew passes to employees
- Ramped up hiring the WhatsApp, social media and employee referral channels
- Partnered with Flipkart to market private brands

Investors

General impact

- Revenues and margins under pressure
- Challenge to keep stores open

Our responses

- Focused on essentials to protect sales and cash rotation
- Focused on Balance Sheet protection
- Efficiently managing our working capital
- Focused on cost rationalisation
- Transformed cost structures
- Deferred capital expenditure

Suppliers

General impact

- Trade and supply disruptions
- A growing fear of infections

Our responses

- Provided logistical support
- Provided suitable terms of trade
- The leveraged company-owned supply chain for procurement ease
- Sourced some products from factories to ensure stock availability
- Strengthened timely sourcing of essential products

Supply chain

General impact

- Disruption in the movement of materials
- Unavailability of transportation

Our responses

- Established early communication with manufacturers and suppliers; stock war room created for top 10 FMCG companies
- Pre-blocked inventory of high-velocity SKUs
- Actively managed truck delivery operations
- Optimised operations at the delivery centres and warehouses '
- Minimised lead time by facilitating direct delivery from suppliers to high throughput stores

Embracing the new normal

Board of Directors


Sanjiv Goenka


Shashwat Goenka


Pratip Chaudhuri


Rekha Sethi


Utsav Parekh


Debanjan Mandal


Devendra Chawla


Rahul Nayak

Notice to Members

Notice is hereby given that the Third Annual General Meeting of the Members of Spencer's Retail Limited will be held on Monday, 3rd August, 2020 at 12.30 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
    a. the Audited Financial Statements for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and the Auditors thereon; and
    b. the Audited Consolidated Financial Statements for the financial year ended March 31, 2020, together with the Reports of the Auditors thereon.
2. To appoint a Director in place of Dr. Sanjiv Goenka (DIN - 00074796) who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company and, if thought fit, pass the following resolution as an Ordinary Resolution:-

    "**RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Rules framed there-under, as amended from time to time, approval of members is hereby accorded for the appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E300005), as the Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting (AGM) till the conclusion of the AGM of the Company to be held in the year 2025, on such remuneration as may be determined by the Board of Directors / Audit Committee thereof in consultation with the Auditors".

Registered office
Duncan House
31, Netaji Subhas Road,
Kolkata – 700 001
CIN: L74999WB2017PLC219355
E-mail: spencers.secretarial@rpsg.in
Website: www.spencersretail.com
Kolkata, June 29, 2020

By Order of the Board

Rama Kant
Company Secretary
(ICSI Membership No. FCS 4818)

NOTES:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 ('the Act') is not required as there is no item to be approved under special business in the notice annexed hereto.
2. (A) Pursuant to the General Circular numbers 14/2020, 17/2020, 20/2020 dated 8 April, 2020, 13 April, 2020 and 5 May, 2020 respectively issued by Ministry of Corporate Affairs (MCA), Government of India, and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May, 2020 issued by Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM during the calendar year 2020 through Video Conferencing (VC) / Other Audio Video Means (OAVM).

    (B) AGM through VC/OAVM

    i) Members are requested to join the AGM on Monday, 3 August, 2020 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 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 1:00 p.m. IST, or, soon thereafter.

    ii) The facility of attending the AGM will be made available to 1000 members on a first come first served basis.

    iii) Members who would like to express any views, or, during the AGM ask questions 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 reach the Company's email address at spencersagm2020@rpsg.in latest by Saturday, 1 August, 2020 by 5:00 p.m. (IST).

    iv) When a pre-registered speaker is invited to raise at the AGM his/her questions, already emailed in advance as requested in para (iii) 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.

    v) 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 dematerialized form and, therefore, members are advised to dematerialize 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 27 July, 2020 to 3 August, 2020, both days inclusive.
5. All documents referred to in the Notice are put up on the Company's website and can be accessed at https://www.spencersretail.com
6. **Instructions for attending the AGM**

    (i) In view of the outbreak of the 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 in the ensuing AGM only through VC/OAVM as mentioned in Note 2(B) above, as arranged by the Company with National Securities Depositories Limited (NSDL).

    (ii) 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.

    (iii) 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, Bodies Corporate 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 authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by e-mail to smguptaandco@yahoo.com with a copy marked to evoting@nsdl.co.in

    (iv) The facility of participation at the AGM through VC/OAVM will be made available for 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.

(v) In compliance with the Circulars, Notice of the AGM along with the Annual Report for the year 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company or Central Depository Services Limited / National Securities Depositories Limited ("Depositories"). Members may note that the Notice and Annual Report for the year 2019-20 will also be available on the Company's website www.spencersretail.com, websites of the Stock Exchanges where the shares of the Company are listed i.e. BSE Limited, National Stock Exchange of India Limited and the Calcutta Stock Exchange Limited at www.bseindia.com, www.nseindia.com and www.cse-india.com respectively, and on the website of the Company's Registrar and Share Transfer Agent, Linkintime India Private Limited ('Linkintime') at rnt.helpdesk@linkintime.co.in

(vi) 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 and self-attested scanned copy of PAN card by email to Spencer's Retail Limited at spencersagm2020@rpsg.in or to Link Intime at rnt.helpdesk@linkintime.co.in or upload the same at https://linkintime.co.in/emailreg/email_register.html

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

(vii) Participation of members through VC/OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.

(viii) Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.

(ix) 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 the Company's website at https://www.spencersreatil.com.

(x) Members who need assistance before or during the AGM with use of technology, can:

(a) Send a request at evoting@nsdl.co.in or use Toll free no.: 1800-222-990 or

(b) Contact Ms. Pallavi Mhatre, Manager, NSDL at the designated email ID: evoting@nsdl.co.in or pallavid@nsdl.co.in or at telephone no. 022-2499-4545

(xi) 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 are invited to speak at the AGM.

(xii) 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.

(xiii) 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 attending the Voting through electronic means:

The remote e-voting period begins on Friday, 31 July, 2020 at 9 :00 A.M. IST and ends on Sunday, 2 August, 2020 at 5:00 P.M. IST. The remote e-voting module shall be disabled by NSDL for voting thereafter.

I. 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) and the aforesaid Circulars issued by the Ministry of Corporate Affairs dated 8 April, 2020, 13 April, 2020 and 5 May, 2020, 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 agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system during the meeting on the date of the AGM will be provided by NSDL.

II. 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: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

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

   Alternatively, if you are registered for NSDL 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.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example: if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can use 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'?

      (i) 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 CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in Section III

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

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

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

8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

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

General Guidelines for shareholders

1 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 authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to smguptaandco@yahoo.com with a copy marked to evoting@nsdl.co.in.

2 It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3 In case of any 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.: 1800-222-990 or send a request to Ms. Pallavi Mhatre, Manager at evoting@nsdl.co.in / pallavid@nsdl.co.in

III. 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:

1. 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 (self-attested scanned copy of PAN card), Aadhar/ Voter ID/Passport (self-attested scanned copy of Aadhar Card/ Voter ID/Passport) by email to rnt.helpdesk@linkintime.co.in

   In case shares are held in demat mode, please provide DPID-Client ID (16-digit DPID + Client ID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), Aadhar/ Voter ID/Passport (self-attested scanned copy of Aadhar Card/Voter ID/Passport) by email to rnt.helpdesk@linkintime.co.in.

   Alternatively members may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

IV. The Instructions for Members For E-Voting on the day of the AGM are as under:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members, who will be present in the AGM through VC/OAVM facility and have not cast 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 course of the AGM.
3. 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.
4. 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.
5. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of Monday, 27 July 2020.
6. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Monday, 27 July 2020, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or rnt.helpdesk@linkintime.co.in.
7. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
8. 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.
9. Mr. S M Gupta, Partner (FCS -896 and CP No. 2053), failing him Mrs. Chitra Mittal, Partner (ACS-16240 and CP No- 15441) of M/s. S. M. Gupta & Co, Company Secretaries, Kolkata has been appointed as the Scrutinizer to scrutinize the Remote e-Voting process and casting vote through the e-Voting system during the Meeting in a fair and transparent manner.
10. The Scrutinizer 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 Scrutinizer's Report. The Results shall be declared forthwith upon receipt of the Scrutinizer's Report.
11. The Results of voting will be declared within 48 hours from the conclusion of AGM. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.spencersretail.com and on the website of NSDL . Such results will also be displayed on the Notice Board at the Registered Office of the Company and shall be forwarded to the National Stock Exchange of India Limited, BSE Limited and Calcutta Stock Exchange Limited.

Registered office

Duncan House
31, Netaji Subhas Road,
Kolkata – 700 001
CIN: L74999WB2017PLC219355
E-mail: spencers.secretarial@rpsg.in
Website: www.spencersretail.com
Kolkata, June 29, 2020

By Order of the Board

Rama Kant
Company Secretary
(ICSI Membership No. FCS 4818)

Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 1.2.5 of Secretarial Standard - 2 on General Meetings, the particulars of the aforementioned Director seeking reappointment at the AGM are given below:

Name of Director	Dr. Sanjiv Goenka (DIN: 00074796)
Date of birth	29.01.1961 (59 Years)
Date of appointment	14.11.2018 (Category: Non-Executive Non-Independent Director)
Expertise in specific functional areas	Dr. Sanjiv Goenka is the Chairman of the Company and also of Rs. 44,000 Crores RP Sanjiv Goenka Group which has over 45,000 employees and over five hundred thousand shareholders with annual revenues of more than Rs. 26,000 Crores. 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. Dr Goenka is also the Chairman of the Board of Governors of International Management Institute, Delhi, Bhubaneswar and Kolkata. Dr. Goenka is aged 59 years and is a Commerce Graduate from St. Xavier's College, Kolkata. Dr. Sanjiv Goenka has received numerous awards and three Honorary Doctoral Degrees.
List of outside directorships held	• CESC Limited; • Haldia Energy Limited; • Phillips Carbon Black Limited; • Saregama India Limited; • Spencer International Hotels Limited; • Firstsource Solutions Limited; • CESC Ventures Limited; and • Spencer and Company Limited
Chairman/Member of the Committees of Board of Directors of the Company	• Nomination and Remuneration Committee – Member • Stakeholders Relationship Committee – Chairman • Corporate Social Responsibility Committee – Chairman
Chairman/Member of the committees of board of directors of other Indian public limited companies in which he is a director –	
a) Audit Committee	CESC Limited – Member CESC Ventures Limited - Member
b) Stakeholders' Relationship Committee	CESC Limited – Chairman CESC Ventures Limited – Chairman Saregama India Limited – Chairman
Shareholding in the Company (as on 31st March 2020)	80,876
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.
Board Meeting attended during financial year 2019-20	Four (4)
Terms and conditions of appointment or re-appointment	Liable to retire by rotation.
Details of remuneration 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. The details of remuneration paid to Dr. Sanjiv Goenka during financial year 2019-20 have been disclosed in the 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, June 29, 2020

By Order of the Board

Rama Kant
Company Secretary
(ICSI Membership No. FCS 4818)

Board's Report

Dear Members,

Your Directors have the pleasure of presenting the Third Annual Report on the business and operations of the Company together with the audited financial statements for the financial year ended 31st March 2020.

Financial highlights

Rs. lakhs

Particulars	FY2019-20	FY2018-19
Total Income	240,283.86	221,497.50
EBITDA	10,881.36	4,172.23
Finance costs	6,087.09	744.65
Depreciation and amortisation	10,496.18	2,454.86
Profit/(Loss) before tax	(5,701.91)	972.72
Tax expenses	-	178.52
Profit/(Loss) after tax	(5,701.91)	794.20
Other comprehensive income / (loss)	(141.80)	(143.43)
Total comprehensive income for the year	(5,843.71)	650.77

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

Performance overview

Spencer's Retail Limited (SRL), the retail arm of RP-Sanjiv Goenka Group, opened 10 stores spanning around 0.66 lakh square feet of retail space during the year. These stores cater to all family needs – groceries, home and personal care products, apparel and accessories, consumer durables and lifestyle products. During the year 2019-20, the Company registered same-store sales growth of 1.81% as compared to last year same-store sales growth of 3.10 %.

The financial performance of the Company as on 31st March, 2020 is Rs (57.02) crores compared to previous year PAT of ₹7.94 crores. The Company continues to focus on growing the topline, keeping costs under control and improving the performance of the stores.

During the Financial Year 2020-21, SRL plans to expand its presence in its existing clusters. This will also help the Company leverage its back-end capabilities and optimise marketing costs. Furthermore, the Company will focus on increasing its non-food business revenues, enhancing the in-store experience and building team capabilities to realize its growth plans for the business. Looking ahead, the company is moving closer towards achieving a much better performance in the coming years with its strategic initiatives.

Dividend

Due to accumulated loss in the year 2019-20 and with a view to conserve resources and channelise it towards future endeavours, the Board of Directors of the Company do not declare any dividend for the year ended on 31st March 2020.

Management discussion and analysis

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

Corporate governance

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

Extract of annual return

An extract of Annual Return as required to be attached in accordance with Section 134(3)(a) of the Companies Act, 2013, is annexed and form a part of this report (Annexure-D). The same also can be viewed on the website of the Company at www.spencersretail.com.

Business Responsibility Report

Business Responsibility Report as required under SEBI Regulations is annexed elsewhere and forms part of this report (Annexure-E).

Share capital

The Company has not issued any equity shares during the year. As on March 31, 2020, the paid up share capital of the Company was ₹3,976.71 Lakhs comprising 7,95,34,226 equity shares of ₹5.00 each. The said shares have been listed with NSE, BSE and CSE.

However, subsequent to the approval of the Board of Directors on February 11, 2020, to issue further shares on Rights basis for an amount aggregating upto ₹8,000.00 Lakhs to existing eligible equity shareholders, your Company had filed the Draft Letter of Offer with the Securities and Exchange Board of India (SEBI) on 12th May, 2020 and with the concerned stock exchanges. The Company has also obtained necessary in-principle approvals from stock exchanges and is in the process to issue and allot the above shares in due course.

Directors and key managerial personnel

In terms of the provisions of Section 152 of the Act and Article 100 of the Articles of Association of the Company, Dr. Sanjiv Goenka (Director Identification Number 00074796), retires by rotation and, being eligible, offers himself for reappointment.

The members of the Company in its Second Annual General Meeting held on 19th July, 2019, had approved the appointment of Dr. Sanjiv Goenka as Chairman and Non Executive Non Independent Director and Mr. Shashwat Goenka as Non Executive Non Independent Director of the Company.

The members in their Meeting held on 19th July, 2019, had approved the appointment of Mr. Utsav Parekh, Ms. Rekha Sethi, Mr. Pratip Chaudhuri and Mr. Debanjan Mandal as Non-Executive Independent Directors on the Board, not liable to retire by rotation, for a period of five years, with effect from their respective dates of appointment, in accordance with the applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder.

Further the members of the Company in its Meeting held on 19th July, 2019, had also approved appointment of Mr. Rahul Nayak as Whole-time Director and Mr. Devendra Chawla as CEO and Managing Director, for a period of three years, with effect from their respective dates of appointment.

Mr. Arvind Kumar Vats resigned as Chief Financial Officer and Mr. Kumar Tanmay was appointed as the Chief Financial Officer of the Company (categorised as a key managerial personnel), with effect from 14th August 2019 as per the provisions of the Act.

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

Number of meetings of Board of Directors

The details of the number of meetings of the Board of Directors held during the Financial Year 2019-20 form a part of the Corporate Governance Report.

Listing

The equity shares of the Company continue to be listed at BSE, NSE and CSE. The Company has paid the requisite listing fees to the Stock Exchanges up to the financial year 2020-21.

Public deposits

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

Auditors

During the year, M/s. Batliboi, Purohit & Darbari, Chartered Accountants (Firm Registration No. 303086E) have resigned as Statutory Auditors of the Company from the conclusion of the meeting of the Board of Directors of the Company ('the Board') held on 14 November, 2019, due to the recent increase in the volume of operation of the Company, its geographical spread and consequential operational complexities in handling the audit.

M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E300005), were appointed as the Statutory Auditors of the Company to fill the casual vacancy and will hold the office till the conclusion of the ensuing Annual General Meeting

Considering the services and performance, your Board is in the view that continuance of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants as Auditors of the Company will be beneficial to the Company, shareholders and other stakeholders as well, therefore recommends their appointment as the Auditors of the Company for further period of five years from the conclusion of the ensuing Annual General Meeting till the conclusion of Annual General meeting to be held in the year 2025.

M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, have conveyed their consent to be appointed as the Statutory Auditors of the Company along with the requisite confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

Auditor's report

The Board has examined the Auditor's Report to the accounts and clarifications, wherever necessary, have been included in the notes to the accounts.

Secretarial audit

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

Related-party transactions

All the Related Party Transactions (RPT) that were entered into, during the financial year, were at arm's length basis and were in the ordinary course of business and as per the RPT policy of the Company. Hence, the provisions of Section 188 of the Companies Act, 2013 as amended are not attracted. Thus, disclosure in Form AOC-2 is not required. Further, there are no materially significant Related Party Transaction(s) during the year under review made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons, which may have a potential conflict with the interest of the Company at large.

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

Particulars of loans, guarantees or investments

During the financial year under review, your Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect to loans given and investments made. Further the Company has not given any guarantees or provided any security during the financial year.

Committees of the Board

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

Directors' responsibility statement

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

a) in the preparation of the accounts for the financial year ended 31st March, 2020, the applicable 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;

d) the annual account have been prepared on a going concern basis;

e) internal financial controls laid down by the directors have been followed by the Company and that such internal financial controls were adequate and operating effectively and;

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

Board evaluation

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

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

Risk management

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

Corporate social responsibility

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

Vigil Mechanism/Whistleblower policy

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

Anti-sexual harassment policy

The Company has in place an anti-sexual harassment policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 covering all Covering all the employees at workplace. The internal committee has been set up as per the Act. An internal committee has been set up for this purpose and further there is no complaint which is pending as on 31st March, 2020.

Subsidiaries

During the year, the Company acquired 100% paid up share capital of M/s. Natures Basket Limited (NBL), a wholly owned subsidiary of Godrej Industries Limited (GIL), comprising 44,58,30,000 fully paid up equity shares of ₹10/- each post approval of the members through postal ballot and accordingly, after acquisition of these shares from GIL, NBL has become a wholly owned subsidiary of the Company w.e.f 4th July, 2019.

As on 31st March 2020, the Company had two wholly-owned subsidiaries, M/s. Omnipresent Retail India Private Limited and M/s. Natures Basket Limited.

The Company has prepared a consolidated financial statement for the Company and its subsidiaries in the form and manner in compliance with the applicable accounting standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 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 FY2019-20 forms a part of the Annual Report and accounts and shall be laid before the Members of the Company at the Annual General Meeting while laying its financial statements under Sub-section (2) of the said Section. 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 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. Shareholders desirous of obtaining the Accounts of the Company's subsidiaries may obtain the same upon request.

In view of the provisions of the law, Natures Basket Limited, wholly owned subsidiary of the Company, was qualified to be a material subsidiary of the Company, accordingly the requirement under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, towards formulation of a policy for determining 'material' subsidiaries has been complied with and the same is posted on the Company's website and may be accessed at: www.spencersretail.com

Demerger

Except for the demerger of the generation undertaking of CESC Limited and its transfer and vesting into Haldia Energy Limited, a wholly owned subsidiary of CESC Limited, the Composite Scheme of Arrangement amongst the Company, CESC Limited and other eight subsidiaries of CESC and their respective shareholders as sanctioned by the Kolkata Bench of the Hon'ble National Company Law Tribunal has been made effective from 01.10.2017. However, the said demerger proposal of generation undertaking has been withdrawn with effect from 14.11.2019 and it is no longer being pursued with the Hon'ble Bench. This will have no impact on Spencer's Retail Limited.

Cost Records

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

Secretarial standards

During the year under review, the Company has complied with the applicable Secretarial Standards, issued by the Institute of Company Secretaries of India and approved by the Central Government pursuant to Section 118 of the Companies Act, 2013.

Employee Stock Option

Consequent to the approval of the shareholders by way of Special Resolution on July 19, 2019, your Company has constituted the ESOP 2019 Scheme. The objective of the scheme is to (a) encourage ownership of the Company's equity shares by the employees on an ongoing basis; (b) to align employee compensation with the performance of the Company; (c) to benefit the Company by enabling the attraction and retention of the best available talent by enabling them to contribute and share in the growth of the Company and (d) to provide existing Employees an opportunity for investment in the Company's Common Stock in recognition of their efforts to grow and build the Company.

As on the date of this Annual Report, 1,20,000 options have been granted under the ESOP 2019 Scheme.

Awards and recognitions

The Company has been a proud recipient of numerous awards and recognitions during the year 2019-20. The significant ones among them are listed hereunder:

- Certified as a Great Workplace by Great Place to Work Institute, India
- 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 2020

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 31st March 2020 and the date of this Board's Report.

Covid-19

The outbreak of COVID-19 has taken the entire globe by storm and has forced all the organisation's to take measures towards this unprecedented period. Investments which we had made over the years in building our stores both at Spencer's & Natures Basket with safe and hygienic environment has helped us in this pandemic.

During the lockdown period all of our Stores were fully operational (to the extent permitted) and we were selling only essential items complying with all the requisite orders of the government on due time. Our revenues from non-food merchandise (Apparel, General Merchandise and Electricals & Electronics) has been adversely affected which have impacted our gross margins and EBITDA disproportionately.

We have taken several measures to mitigate the risk quickly arising with the crisis. Some of them are:

1. Ensured safety for employees & customers by training social distancing to staff & providing free masks to customers not wearing one in-store
2. Motivated & incentivized employees by arranging passes and hired vehicles to commute staff
3. Safeguarded supply side continuity with proactive and non-stop measures by establishing early communications with manufacturers & distributors.
4. Actively managed truck delivery operations by working with local government officials
5. Unified focus on Digital which has helped us to expand our reach
6. Transforming our cost structures and other cost savings initiatives to generate adequate liquidity.

Our customer value proposition across segments offers wide range of assortments in hygienic environment along with our various initiatives including "Out of Store' delivery, "Stores as back-end for online delivery" will help us combat this severe economic disruption.

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

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

Change in the nature of business

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

Internal control system and their adequacy

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

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

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

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

Particulars of employees

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

Acknowledgements

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

On behalf of the Board of Directors

Dr. Sanjiv Goenka
Chairman
(DIN 00074796)

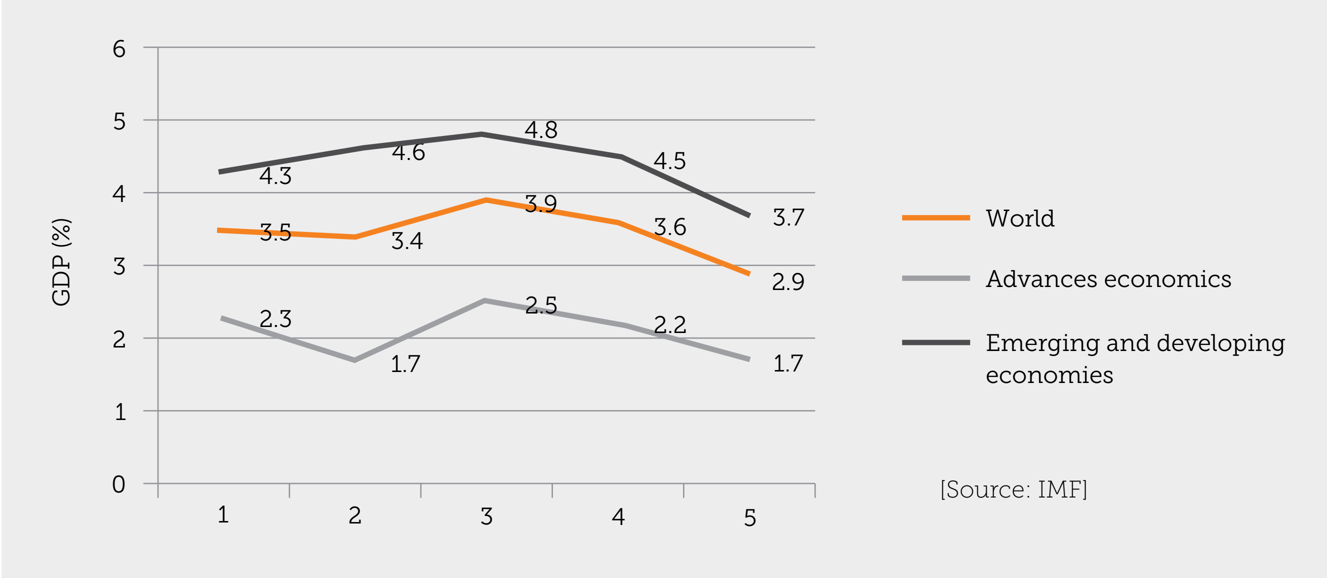
Kolkata
June 29, 2020

(Annexure 'A' to Board's Report)

Management Discussion and Analysis

Global economic overview

The global economy grew 2.9% in 2019 compared to 3.6% in 2018. This sharp decline was precipitated by an increase in global trade disputes that affected the cross-border movement of products and services, a slowdown in the global manufacturing sector, weak growth coming out of some of the largest global economies and the impact of Brexit. The result was that global trade grew a mere 0.9% in 2019, pulling down the overall economic growth average. Going ahead, the 'Great Lockdown', as a result of the pandemic Covid-19, is projected to shrink the global growth in calendar year 2020 and thereafter. (Source: World Economic Outlook, April 2020, CNN, Economic Times, trading economics, Statista, CNBC)



Indian economic review

India emerged as the fifth largest world economy in 2019 with a gross domestic product (GDP) of $2.94 trillion. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking.

However, there was a decline in consumer spending that affected India's GDP growth during the year under review. India's growth for FY2019-20 was estimated at 4.2% compared with 6.1% in the previous year. Manufacturing growth was seen at 2%, a 15-year low as against 6.9% growth in FY19.

Y-o-Y growth of the Indian economy

Particulars	FY17	FY18	FY19	FY20
Real GDP growth (%)	8.3	7.0	6.1	4.2

Growth of the Indian economy, 2019-20

Particulars	Q1, FY20	Q2, FY20	Q3 FY20	Q4, FY20
Real GDP growth (%)	5.2	4.4	4.1	3.1

(Source: Economic Times, CSO, Economic Survey, IMF, EIU

During the last week of the financial year under review, the national lockdown affected freight traffic, consumer offtake and a range of economic activities, casting an uncertainty over prospects.

Outlook

Various forecasts have estimated a sharp de-growth in the Indian economy during the current financial year, the first such instance in decades owing to the nationwide lockdown caused by COVID-19 pandemic.

Indian retail industry overview

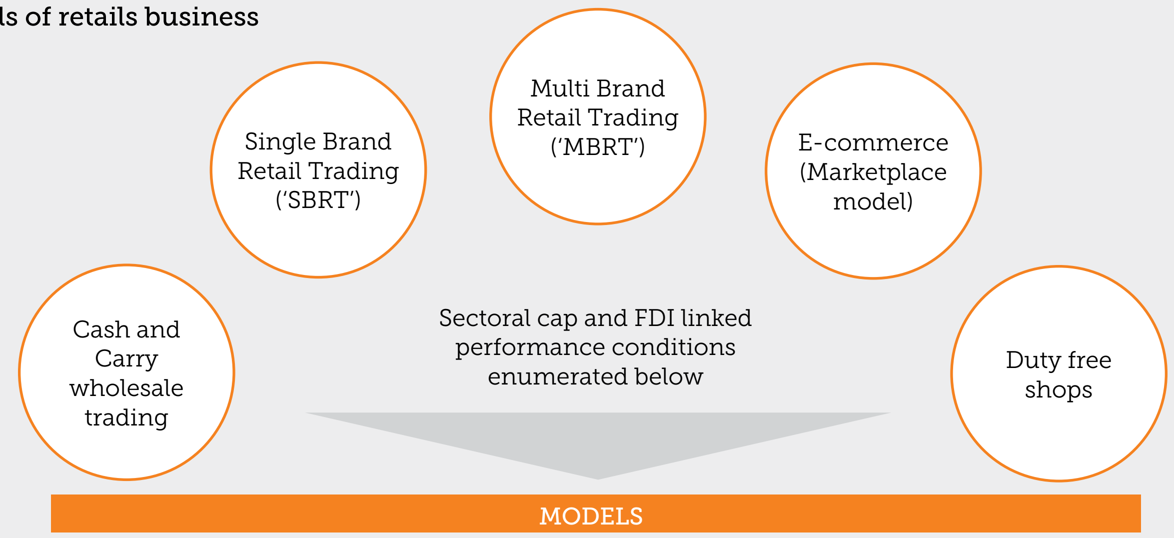
India is the fourth-largest global retail destination (after the US, China and Japan). India ranked second in Global Retail Development Index (GRDI) in 2019.The Indian retail industry accounts for about 10 per cent of the country's Gross Domestic Product (GDP) and around 8 per cent of the employment. The retail sector was estimated at US$ 0.7 trillion in 2019, driven by socio-demographic and economic factors such as urbanisation, aspirations cum income growth and a rise in nuclear families. However, the sector's performance was sluggish in 2019-20 on account of consumption slowdown, a reflection of weaker consumer sentiment.

India's retail market is estimated to grow to US$1.1-1.3 trillion by 2025 from US$0.7 trillion in 2019, growing at a compound annual growth rate (CAGR) of 9-10%, driven by socio-demographic and economic factors like urbanisation, income growth and nuclear families (assuming the market normalises from the pandemic effect).

Over time, India has moved up from rank 130 to 63 in World Bank's Ease of Doing Business in 2019. The country is the only one to have improved ranking by more than 10 points consecutively for three years, strengthening FDI inflows into the retail industry. India's retail sector attracted US$ 970 million from various private equity funds in 2019. Cumulative FDI inflows from April 2000 to December 2019 in the country's retail sector were estimated at US$ 2 billion.

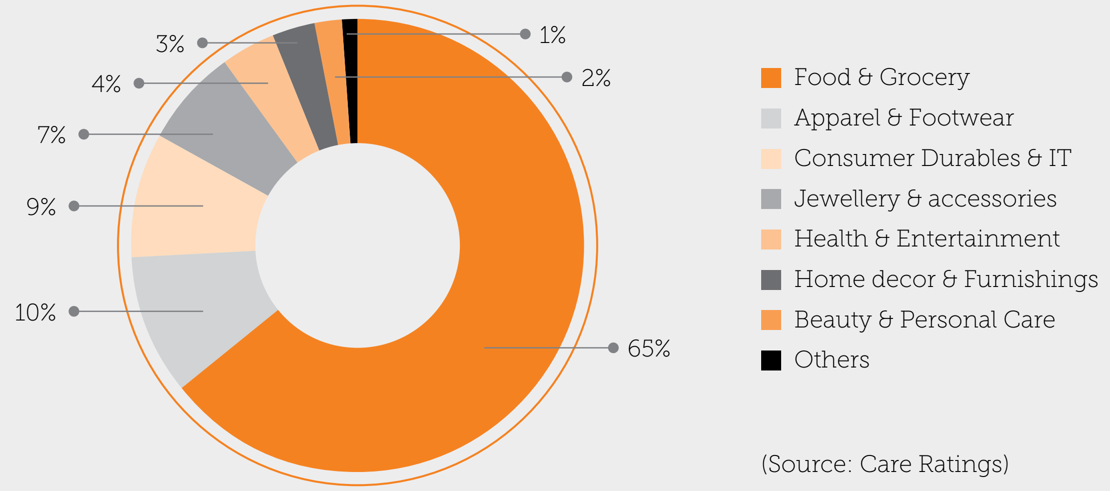
With the COVID-19 pandemic affecting consumer spending, retail sales for 2020 could decline. Retail categories like grocery and essential consumables could perform creditably, while miscellaneous discretionary categories (fashion, beauty and cosmetics) could be affected. (Source: Economic Times, Live Mint, IBEF)

Models of retails business



(Source: Deloitte)

Segment wise contribution in organised retail



(Source: Care Ratings)

Indian organised retail industry

As internet penetration increases, the share of organised retail market is expected to increase from 12 percent in FY 2019 to 25 percent in FY 2024. Technology is expected a major role in enhancing consumer experience. The next 10-12 years could be defining for the Indian retail sector as the market matures and organized retail penetrates deeper into smaller cities and towns.

While more international brands and retailers across categories and formats could enter and grow the Indian business, India could become a key growth market for ones already present. Technology could replace 'human roles' in retail; new ways to emotionally connect with consumers could evolve. New markets could develop, new channels could reshape markets.

India's organised retail penetration is lower than other countries like United States (85%), indicating headroom. Within organized retail, food & beverage account for around 65%, followed by apparel at 10% and personal care at 3%.

The Indian Government's decision to permit 100% foreign direct investment in single-brand retail through the automatic investment route and relaxation of sourcing norms could strengthen the organized sector. (Source: Care Ratings, Financial Express, indiaretailing.com)

Organized retail formats in India

Growth drivers

Population growth: Indian population is growing at 1.2% annually and is expected to surpass China to become the most populous nation by 2027.

Growth of rural consumption: Rural per capita consumption will grow 4.3 times by 2030, compared to 3.5 times in urban areas.

Young millennial households: With median age of 28 years, India is home to world's largest millennial population at 400 million people, making 34 percent of the total population in the country. Further, their contribution to the Indian workforce is significantly higher at nearly 48 percent in FY 2019.

Also, Millennials are known to be marrying late, with average age of marriage for women in urban India increasing from 20-22 years to 25-26 years, while for men it has increased from 25-26 years to 29-30 years in the past few years. This has resulted in the young millennial having more disposable income to spend.

Increasing women in workforce: With increasing gender equality at office, women entering workforce has been on a constant rise in past few years. Women workforce in the country increased 5 mn in FY 2014 to 7 mn in FY 2019 and is expected to reach 10 million by FY 2024, increasing discretionary spending.

Growing income: Increased economic activity helped India grow its per capita income from Rs 1,15,293 in FY18 to Rs 1,34,226 in FY20.

Omni channel: Large offline retail brands launched their online presence, widening their complementary omni-channel model.

Growing wallet share and price trade-off: With growing GDP per capita and higher disposable incomes, consumers have become more aspirational, seeking new categories. There has been a change in the wallet share of Indian consumers from food and clothing to evolving and new categories like mobile and communication, beauty and grooming, personal gadgets among others.

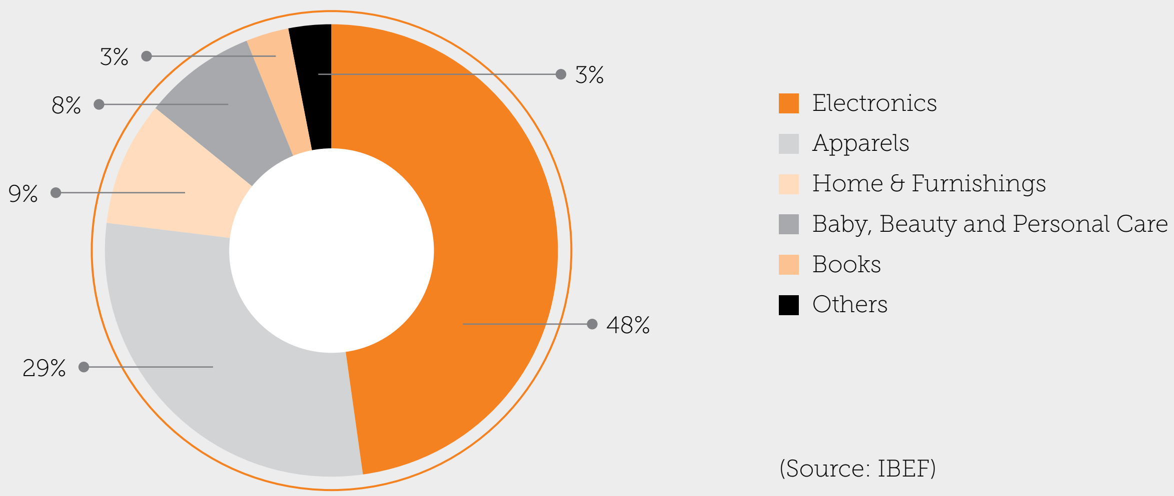
Market expansion: With online players delivering to the smallest of towns, consumers are increasingly aware of international and indigenous brands, an opportunity for modern retailers seeking to enter Tier III and IV markets. Leading national brands are now looking at 500-plus cities as their market and opening stores. Other international and indigenous brands are planning expansions into these cities, influenced by changing lifestyles and digital connectivity.

Growth of shopping malls: Extending from Tier I cities, mall development has entered Tier II cities and is spreading to Tier III cities, driving organised retail.

Indian e-commerce industry overview

The Indian e-commerce industry is expected to surpass the US to emerge as the second largest e-commerce market by 2034. The e-commerce industry in India was estimated at $32 billion in 2019. With advancements in internet access, payments and computing on mobility platforms, changed consumer behaviour with a large active internet user base, customers can now access an increasing choice of products at attractively low costs. This e-commerce trend is expected to accelerate. Currently India's internet penetration stands at around 41%. Online sales in India accounted for 1.6% of total retail sales compared to over 15% for China and around 14% globally. E-commerce is increasingly attracting customers from Tier II and III cities, where people have limited access to brands but have high aspirations. (Source: Economic Times, yourstory.com, Live Mint)

Shares of various segments in e-commerce retail by value, 2019



(Source: IBEF)

Growth drivers for India ecommerce industry

Online shoppers: The number of online shoppers is expected to increase from 15 per cent to 50 per cent of the online population by 2026.

Increasing internet users: India has more than 525 million active internet users. With better connectivity, quality of service and affordability of mobile internet, there could be an increase in rural consumers spending more time on the internet. India's monthly active internet user base is estimated to reach 639 million by the end of December 2020, owing to the Covid-19-induced lockdown that has forced people to stay indoors and glued to smartphones.

Internet penetration: Internet penetration in India stood at 41% compared to over 88% in US and 61% in China, indicating headroom. Interestingly, India's rural areas are driving its digital revolution, contributing 45% growth in internet penetration in 2019 compared to urban India's growth of 11%.

Corona virus outbreak: The new decade is expected to see the next wave of digital India, aided by the Covid-19 pandemic that catalysed the speed at which the already-connected consumer is deepening connection with devices, payments and e-medicine.

Increasing smartphone users: India had more than 502 million smartphone users in 2019; over 77 per cent of Indians access wireless broadband through smartphones. (Source: Economic Times, Times of India, Statista, Live Mint)

Outlook

Following the COVID-19 outbreak, the future appears uncertain and the actual impact could depend on the extent of behavioural change. The modern trade format is expected to deepen its relevance on account of a superior value proposition, hygiene and convenience, complemented by online retail.

Forces that could shape the future of India's retail industry

Consumer shifts	Supply side innovations	Data and technology driven disruptions	New competitive forces	Regulations
Given the attitudinal and demographic change in consumer preferences, there has been a significant shift in the way consumers shop – forcing retailers to constantly adapt to stay ahead of the curve	Increased margin pressures, retail space crunch, rising costs are putting considerable strain on business models – pushing retailers to innovate to win in the next decade	With the onset of the digital revolution, it is imperative for retailers to embrace data and technology to shape consumer shopping preferences and minimize costs – prompting retailers to up their game	As boundaries across industries continue to blur, the retail industry might see itself facing competition from a new genre of players – unsettling retailers and traditional models by bringing in a fresh perspective	With changes in FDI, GST and other rules, the Indian retail industry continues to be sensitive to regulations and a changing political landscape – driving retailers to rethink businesses and models

Company overview

Spencer's Retail Limited is a part of RP-Sanjiv Goenka Group and a multi-format retailer providing a range of quality products across diverse categories including food, personal care, fashion, home essentials, electrical and electronics. The Company created a distinctive identity through specialty sections such as Spencer's gourmet, patisserie, wine and liquor and the recently-launched Epicuisine section. The Company has acquired Natures Basket Limited in July 2019 which has presence in the western part of India including prime locations in Mumbai, Pune and Bangalore.

Spencer's Brand enjoys a rich legacy in India's organized retail market, being one of the earliest entrants in India's organized retail, launched the first hypermarket in India in Hyderabad in 2000. Presently, Spencer's operates 191 stores across 42 Indian cities (including 31 stores of Natures Basket Limited). Spencer's carved out a positioning of 'Makes Fine Living Affordable', which embodies the philosophy of delighting shoppers with the best products and services that enhance fine living at reasonable prices in a friendly retail environment.

Operational performance

During the year, the Company has reported total income of ₹2,402.84 crore and Loss after tax of ₹57.02 crore at the end of the year. To strengthen prospects, the Company has acquired 100% stake in Natures Basket Limited in July 2019. The Company focusses on growing the topline, keeping costs under control and improving the performance of the stores on the one hand while diversifying from a large food and grocery focus to non-food categories. As a strategy, the Company has been increasing the share of non-food items to truly position it as Omni Channel food to retail brand. It continued to strengthen its offering under its own brands and strengthened the apparel business with launch of 2Bme.

During the year under review, the Company opened

10 new stores with 0.66 lakh sq ft of trading area in its focus markets. The Company plans to accelerate growth through accelerated store addition and improved store productivity by focusing on large-sized formats and non-food offerings.

To increase bill size, store productivity and store gross margins, Spencer's plans to increase the share of apparel in its product mix following the launch of its proprietary value fashion brand 2Bme across its stores

Key strategic areas

- Focus on margin-accretive private brands and increase its share in the Company's revenue
- Grow the revenue share of non-food items, primarily apparel and general merchandise
- Leverage economies-of-scale
- Omni Channel Business
- Launch stores in existing clusters

Finance review

Revenues: Total income during the year stood at ₹2,402.84 crore, as compared to ₹2,214.98 crore in FY 2018-19.

Profit after tax: The Company registered a loss of ₹57.02 crore compared to profit after tax of ₹7.94 crore in FY 2018-19.

Key financial highlights :

Particulars	2019-20	2018-19
Turnover (Including other Income) (Rs. In crore)	2,402.84	2,214.98
Return on equity (%)	-14.43%	1.33%
Net Assets Value per share (Rs.)	49.70	75.00
Earnings per share (Rs.)	-7.17	1.00

Key ratios

Particulars	2019-20	2018-19
Debtors Turnover (Days on Revenue)	9	8
Inventory Turnover (Days on Revenue)	36	47
Current Ratio	0.72	1.60
Operating Profit Margin (%)	0.16%	0.79%
Net Profit Margin (%) / PAT	-2.40%	0.36%
Return on Net worth (%)	-14.43%	1.33%

Table presents key financial ratios, as applicable, for Spencer's Retail Limited as a standalone entity

Risk management

Risk management is an essential element of business governance and the Company has policies and procedures in place to ensure that risks are properly identified, evaluated and managed at the appropriate level within the business.

The identification of risks and opportunities, the development of action plans to manage the risks and maximize the opportunities, and the continual monitoring of progress against agreed key performance indicators (KPIs) are integral parts of the business process and core activities throughout the Company.

Economy risk

A slowdown in the economy could impact the company's growth.

Mitigation

The Company's revenues reported growth of 8.5% during 2019-20, despite the economy reporting slower growth of 4.2%. A large part of the Company's offerings include essential products that remained in demand despite a lockdown in India.

Geographic concentration risk

Concentration in a particular geography could hurt business growth in case of a geographical slowdown.

Mitigation

The Company's 191 stores (Including 31 stores of Natures Basket Limited) are spread across 42 cities in more than 12 states, de-risking the company from dependence on a single geography.

Business expansion risk

The Company's inability scout for new locations at reasonable rentals could impact growth.

Mitigation

The Company commissioned 46 stores in three years spanning 2.59 lakhs sq. ft.

Inventory risk

Loss of inventory could lead to customer dissatisfaction.

Mitigation

The Company estimates sales based on the forecast, demand and requirements for the forthcoming season. The Company maintains inventory across distribution centers for seamless supply.

Business risk

Inability to attract customer footfall in our stores could impact business growth.

Mitigation

The Company's stores are usually located in densely populated residential areas and neighborhoods, keeping in mind accessibility and development prospects. Sales are derived, in part, from the footfalls in these locations.

Financial risk

Inability to grow at competitive rates could impact business sustainability.

Mitigation

The Company's long-term debt-equity ratio of 0.08 provides financial comfort. Besides, the Company has a cash balance of Rs 59.63 crore, strengthening its business foundation.

Pandemic risk

A sustained impact of the pandemic (COVID-19) could impact prospects.

Mitigation

The Company is in the business of organized retail, which majorly deals in essential products. During the lockdown, the ability of customers to reach the company's stores was limited. In view of this, the Company launched alternative platforms to place orders, i.e, its online presence.

Internal control systems and their adequacy

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

Human resource management

The Company has 5224 officers and employees as on 31st March 2020. The Company has been strengthening its human resource capital to mantain its growth in the past few years. The Company has created an enabling and conducive work environment free of discrimination and harassment. The Company has pre-determined training calendar to hone skills of various employees based on their requirements. The Company encourages ideas from employees and a number of them were implemented during the year resulting in improvement in cost, quality and delivery.

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 realized. The Company's actual results, performance or achievement may thus differ materially from those projected in such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statement on the basis of any subsequent developments, information or events. To avoid duplication and repetition, certain heads of information required to be disclosed in the Management Discussion and Analysis have been included in the Board's Report.

On behalf of the Board of Directors

Dr. Sanjiv Goenka
Chairman
(DIN 00074796)

Kolkata
June 29, 2020

(Annexure 'B' to Board's Report)

Report on Corporate Governance

The Company's Philosophy on Corporate Governance

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

The company is listed on BSE Limited ("BSE"), National Stock Exchange of India Limited ("NSE") and Calcutta Stock Exchange (CSE). A report on the Company's compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, is given hereunder. This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholder Information, reports the status of compliance of corporate governance norms of the Listing Regulations by Spencer's Retail for the year ended 31st March, 2020.

Board of Directors

Composition and Attendance

As on 31 March, 2020, the Company's Board of Directors ('the Board') consisted of eight Directors, of whom four were Independent Directors, including a woman Director. Managing Director and Whole-time Director are the two Executive Directors of the Company. The composition of the Board satisfies the requirements of Section 149 of the Companies Act, 2013 ("the Act") and the Listing Regulations.

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

Table 1 : Composition of the Board of Directors as on 31 March, 2020.

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 (Note -6)	Attendance at last AGM
Dr. Sanjiv Goenka	Promoter, Non-Executive, Chairman	8	5	3	5	4	No
Mr. Shashwat Goenka	Promoter, Non-Executive	5	1	0	5	4	No
Mr. Utsav Parekh	Non-Executive, Independent	7	5	3	5	5	Yes
Mr. Pratip Chaudhari	Non-Executive, Independent	9	8	3	5	5	Yes
Ms. Rekha Sethi	Non-Executive, Independent	5	4	1	5	4	No
Mr. Debanjan Mandal	Non-Executive, Independent	5	4	1	5	5	Yes
Mr. Devendra Chawla	CEO and Managing Director	1	0	0	5	5	Yes
Mr. Rahul Nayak	Whole-time Director	0	0	0	5	5	Yes

Notes :

1. Directorships held by Directors as mentioned in Table 1 do not include alternate directorships, directorships of foreign companies, Section 8 companies, one person companies and private limited companies.
2. Memberships / Chairmanships of only the Audit Committees and Stakeholders Relationship Committees of public limited companies have been considered.
3. None of the Directors except Dr. Sanjiv Goenka and Mr. Shashwat Goenka are related to each other.
4. The details of the familiarisation programme for Independent Directors is disclosed on the Company's website at http://www.spencersretail.com
5. The Independent Directors have confirmed that they meet the criteria of independence u/s 149(6) of the Act and the Listing Regulations. The Board is of the opinion that the Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the management. None of the Independent Directors resigned before the expiry of his /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 are available on the Company's website at;: http://www.spencersretail.com.

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 b) Phillips Carbon Black Limited c) Saregama India Limited d) Firstsource Solutions Limited e) CESC Ventures Limited	Chairman / Non-Executive / Non-Independent
Mr. Shashwat Goenka	a) Phillips Carbon Black Limited b) Firstsource Solutions Limited c) CESC Ventures Limited d) CESC Limited	Non-Executive / Non-Independent
Mr. Utsav Parekh	a) Xpro India Limited b) Texmaco Rail & Engineering Limited c) Texmaco Infrastructure & Holdings Limited. d) Smifs Capital Markets Limited.	Non-Executive / Independent
Mr. Pratip Chaudhuri	a) CESC Limited b) Visa Steel Limited c) Firstsource Solutions Limited d) Quess Corp Limited e) Cosmo Films Limited f) Muthoot Finance Limited	Non-Executive / Independent
Ms. Rekha Sethi	a) CESC Limited a) Sun Pharmaceutical Industries Limited	Non-Executive / Independent
Mr. Debanjan Mandal	a) Century Plyboards (India) Limited b) Industrial and Prudential Investment Co. Limited	Non-Executive / Independent
Mr. Devendra Chawla	NIL	NIL
Mr. Rahul Nayak	NIL	NIL

Expertise and Competence of the Board of Directors

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

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

Board Meetings

In 2019-20, the Board met five times on 17 May 2019, 19 July 2019, 14 August 2019, 14 November 2019 and 11 February, 2020. The maximum gap between any two Board meetings was less than one hundred and twenty days.

Meetings of Independent Directors

During 2019-20, Independent Directors met on 11 February, 2020 in order to, inter alia, review the performance of non-independent directors including that of the Chairman, assess the effectiveness of flow of information between the company management and the Board and other related matters. All the Independent Directors 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 Listing Regulations. The Board of Directors of the Company is of the opinion that the independent directors fulfill the conditions specified in Listing Regulations and are independent of the management. None of the independent Directors resigned before the expiry of his tenure since the last Annual General Meeting of the Company.

Information placed before the Board

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

Important operational matters are brought to the notice of the Board at its meetings and various divisional heads in charge of the Company's operations attend the Board Meetings to provide inputs and explain any queries pertaining to their respective areas of operation to enable the Board to take informed decisions.

Code of Conduct

The Code of Business Conduct and Ethics ('the Code') relating to matters concerning Board members and Senior Management Personnel and their duties and responsibilities have been meticulously followed. All Directors and Senior Management Personnel have affirmed compliance of the provisions of the Code during 2019-20 and a declaration from the Managing Director to that effect is given at the end of this report. The Code is posted on the Company's website www.spencersretail.com.

Committees of the Board

The Board currently has four committees namely:

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

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

1. AUDIT COMMITTEE

(i) Composition :

As on 31 March, 2020, Audit Committee consisted of Mr. Shashwat Goenka, Mr. Pratip Chaudhuri, Mr. Debanjan Mandal and Mr. Utsav Parekh, being the Chairman of the Committee. All members of the Audit Committee have accounting and financial management expertise.

Audit Committee was reconstituted on 14th November, 2019 by having Mr. Debanjan Mandal, Independent Director as a Member of the Audit Committee.

(ii) Meetings:

The Committee met four times on 17 May 2019, 14 August 2019, 14 November 2019 and 11 February, 2020. The attendance record of the Members at the Meeting is given below in Table 3.

Table 3: Attendance Record of Audit Committee

Name of Members	Status	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Utsav Parekh	Chairman	Non-Executive Independent Director	4	4
Mr. Shahshwat Goenka	Member	Non-Executive	4	4
Mr. Pratip Chaudhuri	Member	Non-Executive Independent Director	4	4
Mr. Debanjan Mandal (appointed w.e.f. 14th November, 2019)	Member	Non-Executive Independent Director	1	1

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

(iii) Terms of reference

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

(a) oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) provide recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(c) approve payment to statutory auditors for any other services rendered by them;

(d) review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

(i) matters required to be included in the Director's Responsibility Statement to be included in the board of directors report in terms of clause (c) of sub Section 3 of Section 134 of the Companies Act, 2013;

(ii) changes, if any, in accounting policies and practices and reasons for the same;

(iii) major accounting entries involving estimates based on the exercise of judgment by the management of the Company;

(iv) significant adjustments made in the financial statements arising out of audit findings;

(v) compliance with listing and other legal requirements relating to financial statements;

(vi) disclosure of any related party transactions; and

(vii) modified opinion(s) in the draft audit report.

(e) review, with the management, the quarterly and any other partial period financial statements before submission to the board of directors for their approval;

(f) review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to our board of directors to take up steps in this matter;

(g) review and monitor the auditor's independence and performance, and effectiveness of audit process;

(h) approve or subsequently modify transactions of the Company with related parties;

(i) scrutinize inter-corporate loans and investments;

(j) provide valuation of undertakings or assets of the Company, wherever it is necessary;

(k) evaluate internal financial controls and risk management systems;

(l) review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(m) review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(n) discuss with internal auditors of any significant findings and follow up there on;

(o) review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(p) discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(q) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(r) to review the functioning of the whistle blower mechanism;

(s) approve the appointment of the Chief Financial Officer of the Company (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(t) oversee the vigil mechanism established by the Company and the chairman of audit committee shall directly hear grievances of victimisation of employees and directors, who use vigil mechanism to report genuine concerns; and

(u) carry out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board of Directors of the Company or specified/provided under the Act or by the Listing Regulations or by any other regulatory requirement.

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

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

I. Management discussion and analysis of financial position and results of operations.

II. Statement of significant related party transactions, Management letters/letters of internal control weaknesses issued by the statutory auditors.

III. Internal audit reports relating to internal control weaknesses.

IV. The appointment, removal and terms of remuneration of the chief of internal audit function.

V. Whenever applicable, monitoring end use of funds raised through public issues, rights issues, preferential issues by major category (capital expenditure, sales and marketing, working capital, etc), as part of the quarterly declaration of financial results.

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

2. STAKEHOLDERS' RELATIONSHIP COMMITTEE

(i) Composition :

As on 31 March, 2020, the Stakeholders Relationship Committee consisted of Dr. Sanjiv Goenka, the Chairman of the Committee, Mr. Shashwat Goenka, Mr. Rahul Nayak and Mr. Utsav Parekh.

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

(ii) Meetings:

The Committee met four times on 17 May 2019, 14 August 2019, 13 November 2019 and 10 February, 2020. The attendance record of the Members at the Meeting is given below in Table 4.

Table 4: Attendance Record of Stakeholders Relationship Committee

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

Details of the number and nature of complaints received and redressed during the financial year 2019-20 are given in the section titled "Additional Shareholder Information".

(iii) Terms of reference:

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

(a) Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., and assisting with quarterly reporting of such complaints;

(b) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(c) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time; Overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services; and

(d) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Act or 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

(i) Composition :

As on 31 March, 2020, the Nomination Remuneration Committee comprised of Dr. Sanjiv Goenka, Mr. Pratip Chaudhuri and Mr. Utsav Parekh, Chairman of the Committee. The committee met four times on 17 May 2019, 14 August 2019, 14 November 2019 and 11 February, 2020. The attendance of members is given below in Table 5:-

Table 5: Attendance Record of Nomination & Remuneration Committee

Name of Members	Status	Category	No. of Meetings Held	Attended
Dr. Sanjiv Goenka	Member	Non-Executive	4	4
Mr. Utsav Parekh	Chairman	Non-Executive	4	4
Mr. Pratip Chaudhuri	Member	Non-Executive	4	4

(ii) Remuneration Policy :

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

(iii) Terms of Reference :

The role of the Nomination & Remuneration Committee includes:

(a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

(b) Formulation of criteria for evaluation of performance of independent directors and the Board;

(c) Devising a policy on Board diversity;

(d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

(e) Analysing, monitoring and reviewing various human resource and compensation matters;

(f) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(g) Determining remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

(h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(i) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(j) Perform such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(k) Administering any employee stock option plan ("Plan");

(l) Determining the eligibility of employees to participate under the Plan;

(m) Granting options to eligible employees and determining the date of grant;

(n) Determining the number of options to be granted to an employee;

(o) Determining the exercise price under the Plan;

(p) Construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan;

(q) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

a. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and

b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended.

(r) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

(s) Performance Evaluation Criteria:
The performance evaluation criteria for Non-Executive including Independent Directors laid down by the Committee and taken on record by the Board includes:

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

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

(i) Composition :
As on 31 March, 2020, the Corporate Social Responsibility Committee consisted of Dr. Sanjiv Goenka, Chairman, Mr. Shashwat Goenka and Mr. Utsav Parekh.

(ii) Meetings :
The Committee met on 17 May, 2019.

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

Table 6: Attendance Record of Corporate Social Responsibility Committee

Name of Members	Status	Category	No. of Meetings Held	No. of Meetings Attended
Dr. Sanjiv Goenka	Chairman	Non-Executive	1	1
Mr. Shashwat Goenka	Member	Non-Executive	1	1
Mr. Utsav Parekh	Member	Non-Executive	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 Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;

(b) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

(c) To recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

(d) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsi-bilities;

(e) To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and

(f) To perform such other duties and functions as the Board may require the Corporate Social Responsibility Committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013.

Committee Recommendation

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

Remuneration of Directors

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

Remuneration to Non-Executive Directors for the year ended 31 March, 2020:

Details of Sitting Fees paid to Non-Executive Directors during the Financial Year 2019-20 are as follows: Dr. Sanjiv Goenka, Chairman – ₹8.50 lakhs, Mr. Shashwat Goenka – ₹8.50 lakhs, Mr. Pratip Chaudhuri – ₹9.50 lakhs, Mr. Utsav Parekh – ₹12.00 lakhs, Mr. Debanjan Mandal – ₹6.00 lakhs and Ms. Rekha Sethi – ₹4.50. lakhs.

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

Remuneration of Executive Directors:

Mr. Devendra Chawla, CEO and Managing Director of the Company was paid remuneration of ₹494.21 Lakhs during the financial year ended 31st March 2020.

Further Mr. Rahul Nayak, Whole-time Director of the Company was paid remuneration of ₹162.06 Lakhs during the financial year ended 31st March 2020.

Shares held by Non-Executive Directors as on 31 March, 2020:

Name	No of shares held
Dr. Sanjiv Goenka	80876
Mr. Shashwat Goenka	66844

As on 31 March 2020, no convertible instruments of the Company were outstanding.

Subsidiary Companies

As on 31 March, 2020, Spencer's Retail Limited had two subsidiaries, Omnipresent Retail India Private Limited and Natures Basket Limited (w.e.f. 4 July 2019). The Company is having a material subsidiary in the current financial year, namely Natures Basket Limited. Further as per the amended regulation of SEBI (LODR), appointment of Independent Director is not applicable.

The Company's policy for determining material subsidiary is posted at: www.spencersretail.com

Management Discussion and Analysis

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

Disclosures by Management to the Board

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

Disclosure of accounting convention in preparation of financial statements

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

Amount Payable to the Statutory Auditor, by the Company and its Subsidiaries:

Auditor/Firm Name	Company name	Service rendered	Amount payable (in Rs. Lakhs)
Batliboi, Purohit & Darbari	Spencer's Retail Limited	Statutory and Tax audit fees	13.00
S. R. Batliboi & Co. LLP (w.e.f. 14 Nov 2019)	Spencer's Retail Limited	Statutory audit, Tax audit and Limited Review Fees	81.00
Batliboi, Purohit & Darbari	Omnipresent Retail India Private Limited	Statutory and Tax audit fees	4.50

Code for prevention of insider trading practices

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

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

Credit Ratings

The Company has not obtained any credit rating during the financial year 2019-20.

Utilization of Funds

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

Related Party Transaction

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 37 to the financial statements for the year 2019-20. There has been no material transaction with any of the related parties which may have potential conflict with the interests of the Company. There has been no material pecuniary relationships or transactions between the Company and its Non-Executive Directors during the year. The Company's policy on dealing with Related Party Transactions is uploaded at: www.spencersretail.com

Whistle Blower Policy

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

Anti sexual harassment policy

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Work-place (Prevention, Prohibition & Redressal) Act, 2013 covering all employees at workplace. The internal committee has been set up as per the Act, 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	06
Number of complaints disposed of during the financial year	06
Number of complaints pending as on end of the financial year	NIL

CEO/CFO Certification

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

Shareholder Approval

APPOINTMENT/RE-APPOINTMENT OF DIRECTORS

The members of the Company in its Second Annual General Meeting held on 19th July, 2019, have approved appointment of Dr. Sanjiv Goenka as Chairman and Non-Executive Non Independent Director and Mr. Shashwat Goenka as Non-Executive Non Independent Director.

Further the members of the Company in its Meeting held on 19th July, 2019, have approved appointment of Mr. Utsav Parekh, Ms. Rekha Sethi, Mr. Pratip Chaudhuri and Mr. Debanjan Mandal as Non-Executive Independent Directors on the Board, not liable to retire by rotation, for a period of five years, with effect from their respective dates of appointment, in accordance with the applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder.

Further the members of the Company in its meeting held on 19th July, 2019, have also approved appointment of Mr. Rahul Nayak as Whole-time Director and Mr. Devendra Chawla as CEO and Managing Director, for a period of three years, with effect from their respective dates of appointment.

Dr. Sanjiv Goenka (Director Identification Number 00074796) who retires by rotation and, being eligible, offers himself for re-appointment, The details of directors, mentioned above, are given below :

Name of the Director	**Dr. Sanjiv Goenka (DIN 00074796)**
Age	59
Brief Resume	Dr. Sanjiv Goenka is the Chairman of the Company and also of ₹44000 crores RP Sanjiv Goenka Group which has over 45,000 employees and over five hundred thousand shareholders with annual revenues of more than Rs 26,000 crores. 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. Dr Goenka is also the Chairman of the Board of Governors of International Management Institute, Delhi, Bhubaneswar and Kolkata. Dr. Goenka is aged 59 years and is a Commerce Graduate from St . Xavier's College, Kolkata. Dr. Sanjiv Goenka has received numerous awards and three Honorary Doctoral Degrees.
Other Directorship	Dr. Goenka is the Chairman of the Board of Directors of CESC Limited (member of Audit Committee, Nomination & Remuneration Committee and Chairman of Stakeholders Relationship Committee and CSR Committee), Phillips Carbon Black Limited, Saregama India Limited (Chairman of Stakeholders Relationship Committee), Firstsource Solutions Limited, CESC Ventures Limited (member of Audit and Nomination & Remuneration Committee and Chairman of Stakeholders Relationship Committee Committee) Spencer International Hotels Limited, Spencer and Company Limited and Haldia Energy Limited.
Shareholding	80876 Equity shares of ₹5/- each

Communication to Shareholders

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

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

Commodity price risk or foreign exchange risk and hedging activities:

The Company does not deal in commodity market and does not have any foreign currency exposure.

General body meetings

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

Financial year	Date	Time	Venue	Special Resolutions Passed
2017-18	29 October, 2018	11-30 A.M	CESC House, Chowringhee Square, Kolkata - 700001	Two
2018-19	19 July, 2019	10-30 A.M	Rangmanch, Raajkutir Swabhumi, 89C, Moulana Abul Kalam Azad Sarani, Kolkata, West Bengal-700054	Five

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

Compliance

Mandatory Requirements

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

Non-mandatory /discretionary requirements

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

a) **Shareholder Rights**
Details of the shareholders' rights in this regard are given in the section 'Communication to Shareholders'.

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

Confirmation

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

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

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

On behalf of the Board of Directors

Dr. Sanjiv Goenka
Chairman
(DIN 00074796)

Kolkata
June 29, 2020

(Annexure 'B' to Board's Report)

Corporate Governance Compliance Certificate

To the members of
Spencer's Retail Limited

1. We have examined the compliance of conditions of corporate governance by Spencer's Retail Limited for the year ended March 31, 2020 as stipulated in Regulation 17 to 27 and 34(3) read with Schedule – V of the SEBI (Listing Obligations and Disclosure Requirement(s) Regulations, 2015, as amended.
2. The compliance of conditions of corporate governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Corporate Governance Certificate issued by the Institute of Company Secretaries of India and was Limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial Statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, including 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.
5. This Certificate is being issued under the conditions of lockdown due to COVID-19 with limited resources available to us.

S. M. Gupta
Partner

S. M. Gupta & Co.
Company Secretaries
Firm Registration No.: P1993WB046600
Membership no. : FCS- 896, CP No : 2053
Peer Review No: 718/2020
UDIN: F000896B000397908

Kolkata
June 29, 2020

(Annexure 'C' to Board's Report)

Additional Shareholder Information

Annual General Meeting

Date : 3rd August, 2020

Time : 12:30 p.m.

Venue : The Company is conducting meeting through Video Conferencing (VC) /Other Audio Visual Means (OAVM) pursuant to the General Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020 issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/ CFD/ CMD1/ CIR/P/ 2020/79 dated 12th May 2020 issued by the Securities and Exchange Board of India ("SEBI Circular")

Financial calendar : 1 April to 31 March

For the year ended 31 March, 2020, results were announced on :

First quarter	-	14 August, 2019
Second quarter	-	14 November, 2019
Third quarter	-	11 February, 2020
Fourth quarter and annual	-	29 June, 2020

For the year ended 31 March 2021, results will be announced by:

First quarter	- Within 14 August, 2020
Second quarter	- Within 14 November, 2020
Third quarter	- Within 14 February, 2021
Fourth quarter and annual	- Within 30 May, 2021

The above details are subject to any statutory extension allowed in due course.

Dividend

During the year ended 31 March, 2020, the Company has not declared any dividend to its shareholders.

Listing

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

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
The Calcutta Stock Exchange Limited	7, Lyons Range, Kolkata – 700 001	30028
ISIN No.	-	INE020801028

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

Stock Data and Performance

Table 1 below gives the monthly high and low prices of the Company's equity shares at the BSE and NSE for the year 2019-20.

Table 1 : High and Low Prices at the BSE and NSE (Rs.) for the F.Y.2019-20:-

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High	Low	High	Low
April, 2019	168.70	136.40	168.75	137.30
May, 2019	145.00	112.15	145.35	111.75
June, 2019	115.15	92.25	115.00	92.30
July, 2019	109.20	67.50	109.10	67.70
August, 2019	79.70	58.40	79.80	57.05
September, 2019	93.00	72.00	93.50	72.80
October, 2019	79.00	63.00	78.50	63.10
November, 2019	75.60	62.25	75.70	62.10
December, 2019	71.00	53.80	70.70	53.75
January, 2020	103.40	56.25	103.40	56.35
February, 2020	112.00	76.15	111.25	76.00
March, 2020	95.90	52.50	96.90	54.00

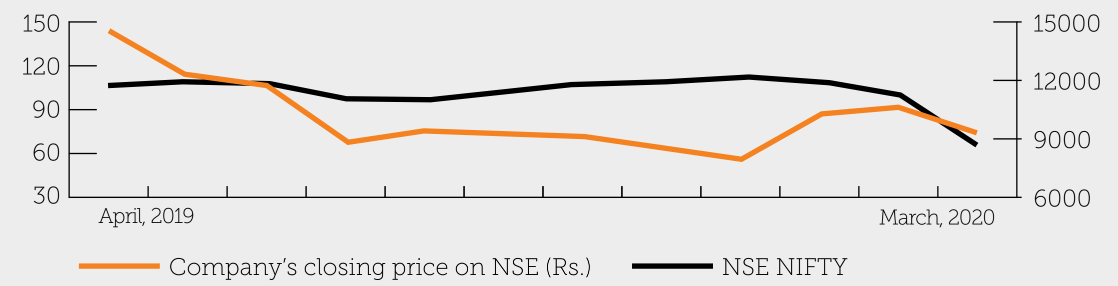
Note : There was no trading in the shares of the Company at CSE during the year.

Table 2 provides the closing price of the Company's equity shares on NSE and BSE with leading market and sector indices at the last trading day for each month during the financial year 2019-20:

Table 2 : Performance in Comparison to NSE, BSE Sensex, and BSE 500 for the F.Y.2019-20:-

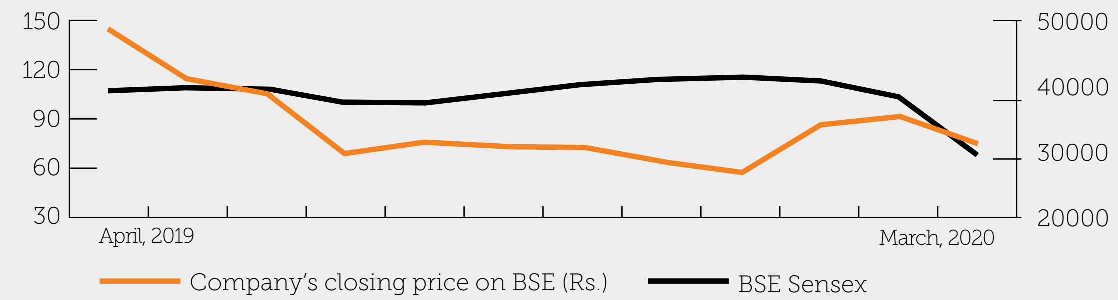
As on close of last trading day for each month	SRL's Closing Price on NSE (Rs.)	Spencer's Closing Price on BSE (Rs.)	NSE Nifty	BSE Sensex	BSE 500 Index
April, 2019	145.30	145.25	11,748.15	39,031.55	15,293.75
May, 2019	113.80	113.35	11,922.80	39,714.20	15,517.90
June, 2019	105.35	104.95	11,788.85	39,394.64	15,291.70
July, 2019	68.50	68.05	11,118.00	37,481.12	14,324.12
August, 2019	75.40	75.25	11,023.25	37,332.79	14,234.07
September, 2019	73.55	73.20	11,474.45	38,667.33	14,810.02
October, 2019	72.00	71.80	11,877.45	40,129.05	15,387.13
November, 2019	63.70	63.80	12,056.05	40,793.81	15,567.67
December, 2019	56.60	56.70	12,168.45	41,253.74	15,667.44
January, 2020	86.35	86.35	11,962.10	40,723.49	15,649.81
February, 2020	91.15	91.25	11,201.75	38,297.29	14,627.62
March, 2020	74.25	74.20	8,597.75	29,468.49	11,098.23

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



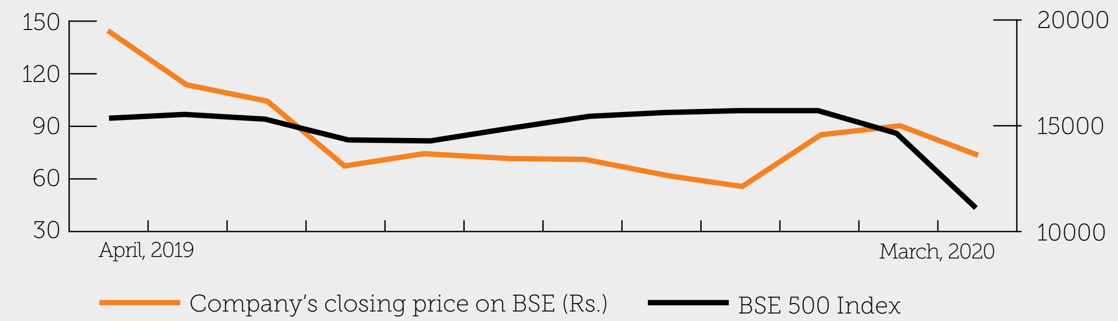
Note: Share price of Spencer's and NSE Nifty

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



Note: Share price of Spencer retail and BSE Nifty

Chart C: Spencer's Shares Performance versus BSE 500:



Share transfer arrangement, investor grievances & contact information

The Company processes share transfers through its registrar and share transfer agent, whose details are given below :

Address: LINK INTIME INDIA PRIVATE LIMITED
C 101, 1st Floor, 247 Park,
L B S Marg, Vikhroli West,
Mumbai – 400083.
Tel : +91 22 49186270
Email : mumbai @linkintime.co.in
Website: www.linkintime.co.in

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

Secretarial Department
Registered Address : Spencer's Retail Limited
Duncan House
31, Netaji Subhas Road
Kolkata – 700 001
Tel No. : 033-2487-1091/6625-7600
E-mail : spencers.secretarial@rpsg.in

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

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

National Securities Depository Limited Trade World, A wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai - 400013	Central Depository Services (India) Limited Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013

As on 31 March, 2020, dematerialised shares accounted for 98.83% of the Company's total equity. The Company has not issued any GDRs /ADRs /Warrants and there are no convertible instruments outstanding as on 31 March 2020. However this is to note that the Company is in the process of coming up with a Rights Issue of equity shares for an amount aggregating upto ₹80 Crs. on a rights basis to existing eligible equity shareholders and in accordance therewith the company has filed its Draft Letter of Offer with The Securities and Exchange Board of India (SEBI) on 12th May, 2020. There is no subsisting court order in legal proceedings against the Company in any share transfer matter. Table 3 gives details of the number and nature of complaints for the year 2019-20:

Table 3 : Complaints from Shareholders during 2019-20

Particulars	Complaints				
	Non receipts of certificates	Non-Receipt of Dividend	Non Receipt of Annual Reports / Non Receipt of Demat Credit	Others	Total
Received during the year	1	-	5	22	28
Resolved during the year	1	-	5	22	28
Pending as on 31 March, 2020	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 31 March, 2020

Sl. No.	Category	As on 31st March, 2020	
		Total Shares	Percentage
1	Promoters / Promoter's Group	43508904	54.70
2	Institutional investors		
a	Mutual Funds	577198	0.73
b	Banks, Financial Institutions and Insurance Companies	2313408	2.91
c	FIIs	3791830	4.77
3	Others		
a	Bodies Corporate	7099202	8.93
b	Indian Public	20226694	25.43
c	NRI's	1323969	1.66
d	Others	693021	0.87
	Total	**79534226**	**100.00**

Table 5: Pattern of Shareholding by Share Class as on 31 March, 2020

Shareholding Class	Number of Shareholders	% of Total Shareholders	Number of Shares held	Shareholding %
1 to 500	60276	91.29	4640992	5.84
501 to 1000	2783	4.21	2199898	2.77
1001 to 2000	1323	2.00	1984422	2.50
2001 to 3000	517	0.78	1326144	1.67
3001 to 4000	217	0.33	776883	0.98
4001 to 5000	225	0.34	1066908	1.34
5001 to 10000	348	0.53	2632440	3.30
10001 and above	341	0.52	64906539	81.60
TOTAL	66030	100.00	79534226	100.00

Store Locations

The Company was operating 160 stores till 31.03.2020. 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 8 February, 2017 and since the Company has not yet completed 7 years of its incorporation, all the IEPF provisions are not applicable to the Company.

Unclaimed Shares

In terms of the Listing Regulations, 2015, the Company opened separate Unclaim Suspense Account wherein 78,066 equity shares credited. These shares may be claimed back by the concerned shareholders on compliance of necessary formalities. It may also be noted that all the corporate benefits accruing to these shares shall also be credited to the said "Unclaimed Suspense Account" and the voting rights of these shares shall remain frozen until the rightful owner claims the shares.

The status of equity shares lying in 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 transferred in the suspense account during the year	132	78066
2.	No of shareholders who approached the Company for transfer of shares from the suspense account	-	-
3.	No of shareholders to whom shares were transferred from the suspense account	-	-
4.	Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year	132	78066

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 companies 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
June 29, 2020

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 Business Conduct and Ethics during the year 2019-20.

Devendra Chawla
Managing Director
(DIN : 03586196)

Kolkata
June 29, 2020

(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
(Formerly known as "RP-SG RETAIL LIMITED")
Duncan House,
31, Netaji Subhas Road,
Kolkata, WB 700001

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 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 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1	UTSAV PAREKH	00027642	14/11/2018
2	SANJIV GOENKA	00074796	14/11/2018
3	DEBANJAN MANDAL	00469622	11/02/2019
4	PRATIP CHAUDHURI	00915201	14/11/2018
5	SHASHWAT GOENKA	03486121	14/11/2018
6	DEVENDRA CHAWLA	03586196	11/02/2019
7	RAHUL NAYAK	06491536	14/11/2018
8	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.

This Certificate is being issued under the conditions of lockdown due to COVID-19 with limited resources available to us.

S. M. Gupta
Partner

S. M. Gupta & Co.
Company Secretaries
Firm Registration No.: P1993WB046600
Membership no. : FCS- 896, CP No : 2053
Peer Review No: 718/2020
UDIN: F000896B000338741

Kolkata
June 29, 2020

(Annexure 'D' to Board's Report)

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as of the financial year ended on March 31, 2020

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L74999WB2017PLC219355
ii)	Registration Date	8th February 2017
iii)	Name of the Company	Spencer's Retail Limited
iv)	Category / Sub-Category of the Company	Public Limited Company by Shares
v)	Address of the Registered office	Duncan House, 31, Netaji Subhas Road, Kolkata - 700001
vi)	Contact details of the Company	Tel: +91 33 2487 1901 /6625 7600 E-mail:spencers.secretarial@rpsg.in Website: www.spencersretail.com
vii)	Whether listed company	Yes
viii)	Name, Address and Contact details of Registrar and Transfer Agent	Link Intime India Private Limited, C 101, Ist Floor, 247 Park, L B S Marg, Vikhroli West, Mumbai-400083 Tel: +91 22 49186000

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the product/ service	% to total turnover of the company
1	Retail Business	47	100%

III.PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Omnipresent Retail India Private Limited A-27/A, 1st Floor, Hauz Khas, New Delhi-110 016	U51909DL2011PTC218350	Wholly Owned Subsidiary	100%	2(87)
2	Natures Basket Limited 2nd Floor, Spencer Building, 30 Forjett Street, Mumbai 400 036	U15310MH2008PLC182816	Wholly Owned Subsidiary*	100%	2(87)

* w.e.f. 4 July 2019

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

i. Category-wise Share holding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Shareholding of Promoter and Promoter Group**									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	1,70,530	-	1,70,530	0.21	1,70,530	-	1,70,530	0.21	-
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	4,22,87,790	-	4,22,87,790	53.17	4,33,38,374	-	4,33,38,374	54.49	1.32
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)									
	Sub Total (A)(1)	**4,24,58,320**	**-**	**4,24,58,320**	**53.38**	**4,35,08,904**	**-**	**4,35,08,904**	**54.70**	**1.32**
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)									
	Sub Total (A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	**4,24,58,320**	**-**	**4,24,58,320**	**53.38**	**4,35,08,904**	**-**	**4,35,08,904**	**54.70**	**1.32**
(B)	**Public Shareholding**									
[1]	Institutions									
(a)	Mutual Funds / UTI	71,14,905	1,641	71,16,546	8.95	5,75,557	1,641	5,77,198	0.73	(8.22)
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	5,41,308	-	5,41,308	0.68	4,61,855	-	4,61,855	0.58	(0.10)
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	66,27,042	3,720	66,30,762	8.34	37,88,110	3,720	37,91,830	4.77	(3.57)
(f)	Financial Institutions / Banks	66,401	4,685	71,086	0.09	4,23,655	4,685	4,28,340	0.54	0.45
(g)	Insurance Companies	25,78,038	3,390	25,81,428	3.24	18,72,094	3,390	18,75,484	2.36	(0.88)
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
(i)	Foreign Bank	568	9,030	9,598	0.01	554	9,030	9,584	0.01	-
(j)	Central Government / State Government(s)	5,010	1,291	6,301	0.01	5,010	1,291	6,301	0.01	-
(k)	Any Other (Specify)									
	Sub Total (B)(1)	**1,69,33,272**	**23,757**	**1,69,57,029**	**21.32**	**71,26,835**	**23,757**	**71,50,592**	**9.00**	**(12.32)**
[2]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹1 lakh.	65,11,708	4,50,123	69,61,831	8.75	1,26,03,834	4,03,065	1,30,06,899	16.35	7.60
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	27,28,381	-	27,28,381	3.43	55,20,902	-	55,20,902	6.94	3.51
(b)	NBFCs registered with RBI	17,17,106	-	17,17,106	2.16	3,180	-	3,180	0.00	(2.16)
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)									
(i)	IEPF	99,992	-	99,992	0.13	99,992	-	99,992	0.13	-
(ii)	Trusts	56,127	-	56,127	0.07	43,627	-	43,627	0.05	(0.02)
(iii)	Foreign Nationals	10,127	16,485	26,612	0.03	10,127	16,485	26,612	0.03	-
(iv)	Hindu Undivided Family	9,07,232	-	9,07,232	1.14	16,98,893	-	16,98,893	2.14	1.00
(v)	Foreign Companies	-	58,220	58,220	0.07	-	58,220	58,220	0.07	-
(vi)	Non Resident Indians (Non Repat)	1,39,362	-	1,39,362	0.18	2,56,232	-	2,56,232	0.32	0.14
(vii)	Non Resident Indians (Repat)	5,02,514	2,62,894	7,65,408	0.96	7,23,808	2,59,097	9,82,905	1.24	0.28
(viii)	Unclaimed Shares	78,066	-	78,066	0.10	78,066	-	78,066	0.10	-
(ix)	Clearing Member	5,21,026	-	5,21,026	0.66	6,71,214	-	6,71,214	0.84	0.18
(x)	Bodies Corporate	59,40,626	1,18,888	60,59,514	7.62	64,07,263	20,725	64,27,988	8.09	0.47
	Sub Total (B)(2)	**1,92,12,267**	**9,06,610**	**2,01,18,877**	**25.30**	**2,81,17,138**	**7,57,592**	**2,88,74,730**	**36.30**	**11.00**
	Total Public Shareholding(B)=(B)(1)+(B)(2)	**3,61,45,539**	**9,30,367**	**3,70,75,906**	**46.62**	**3,52,43,973**	**7,81,349**	**3,60,25,322**	**45.30**	**(1.32)**
	Total (A)+(B)	**7,86,03,859**	**9,30,367**	**7,95,34,226**	**100.00**	**7,87,52,877**	**7,81,349**	**7,95,34,226**	**100.00**	**(0.00)**
(C)	**Non Promoter - Non Public**									
[1]	Custodian/DR Holder	-	-	-	-	-	-	-	-	-
	(C1) Shares Underlying DRs	-	-	-	-	-	-	-	-	-
	(C2) Shares Held By Employee Trust	-	-	-	-	-	-	-	-	-
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	**7,86,03,859**	**9,30,367**	**7,95,34,226**	**100.00**	**7,87,52,877**	**7,81,349**	**7,95,34,226**	**100.00**	**-**

ii. Shareholding of Promoter and Promoter Group

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	RAINBOW INVESTMENTS LIMITED	3,80,32,979	47.82	-	3,80,32,979	47.82	-	-
2	STEL HOLDINGS LIMITED	14,96,082	1.88	-	14,96,082	1.88	-	-
3	PHILLIPS CARBON BLACK LIMITED	10,11,718	1.27	-	10,11,718	1.27	-	-
4	SAREGAMA INDIA LIMITED	7,55,992	0.95	-	7,55,992	0.95	-	-
5	INTEGRATED COAL MINING LIMITED	6,45,218	0.81	-	6,45,218	0.81	-	-
6	KOLKATA METRO NETWORKS LIMITED	1,71,000	0.22	-	1,71,000	0.22	-	-
7	CASTOR INVESTMENTS LIMITED	1,50,000	0.19	-	12,00,584	1.51	-	1.32
8	SANJIV GOENKA	80,876	0.10	-	80,876	0.10	-	-
9	SHASHWAT GOENKA	66,844	0.08	-	66,844	0.08	-	-
10	DOTEX MERCHANDISE PRIVATE LIMITED	24,801	0.03	-	24,801	0.03	-	-
11	PREETI GOENKA	15,133	0.02	-	15,133	0.02	-	-
12	SANJIV GOENKA HUF	7,377	0.01	-	7,377	0.01	-	-
13	AVARNA JAIN	300	0.00	-	300	0.00	-	-
	Total	**4,24,58,320**	**53.38**	**-**	**4,35,08,904**	**54.70**	**-**	**1.32**

iii. Change in Promoter and Promoter Group Shareholding

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of the Company
1	RAINBOW INVESTMENTS LIMITED	3,80,32,979	47.82			3,80,32,979	47.82
	AT THE END OF THE YEAR					3,80,32,979	47.82
2	STEL HOLDINGS LIMITED	14,96,082	1.88			14,96,082	1.88
	AT THE END OF THE YEAR					14,96,082	1.88
3	CASTOR INVESTMENTS LIMITED	1,50,000	0.19			1,50,000	0.19
	Transfer			21 Jun 2019	1,12,281	2,62,281	0.33
	Transfer			29 Jun 2019	5,03,320	7,65,601	0.96
	Transfer			23 Aug 2019	2,87,013	10,52,614	1.32
	Transfer			30 Aug 2019	1,47,970	12,00,584	1.51
	AT THE END OF THE YEAR					12,00,584	1.51
4	PHILLIPS CARBON BLACK LIMITED	10,11,718	1.27			10,11,718	1.27
	AT THE END OF THE YEAR					10,11,718	1.27
5	SAREGAMA INDIA LIMITED	7,55,992	0.95			7,55,992	0.95
	AT THE END OF THE YEAR					7,55,992	0.95
6	INTEGRATED COAL MINING LIMITED	6,45,218	0.81			6,45,218	0.81
	AT THE END OF THE YEAR					6,45,218	0.81
7	KOLKATA METRO NETWORKS LIMITED	1,71,000	0.22			1,71,000	0.22
	AT THE END OF THE YEAR					1,71,000	0.22
8	SANJIV GOENKA	80,876	0.10			80,876	0.10
	AT THE END OF THE YEAR					80,876	0.10
9	SHASHWAT GOENKA	66,844	0.08			66,844	0.08
	AT THE END OF THE YEAR					66,844	0.08
10	DOTEX MERCHANDISE PRIVATE LIMITED	24,801	0.03			24,801	0.03
	AT THE END OF THE YEAR					24,801	0.03
11	PREETI GOENKA	15,133	0.02			15,133	0.02
	AT THE END OF THE YEAR					15,133	0.02
12	SANJIV GOENKA HUF	7,377	0.01			7,377	0.01
	AT THE END OF THE YEAR					7,377	0.01
13	AVARNA JAIN	300	0.00			300	0.00
	AT THE END OF THE YEAR					300	0.00

Note:

1. Paid up equity shares of the Company (Face Value Rs. 5.00) at the end of the year is 7,95,34,226 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

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

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding during the year	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of the Company
1	INDIA INSIGHT VALUE FUND	6,00,000.00	0.75			6,00,000.00	0.75
	Transfer			05 Apr 2019	33,000.00	6,33,000.00	0.80
	Transfer			26 Apr 2019	57,000.00	6,90,000.00	0.87
	Transfer			24 May 2019	45,000.00	7,35,000.00	0.92
	Transfer			31 May 2019	36,000.00	7,71,000.00	0.97
	Transfer			07 Jun 2019	69,000.00	8,40,000.00	1.06
	Transfer			14 Jun 2019	61,500.00	9,01,500.00	1.13
	Transfer			21 Jun 2019	1,93,500.00	10,95,000.00	1.38
	Transfer			29 Jun 2019	70,800.00	11,65,800.00	1.47
	Transfer			05 Jul 2019	34,200.00	12,00,000.00	1.51
	Transfer			12 Jul 2019	51,027.00	12,51,027.00	1.57
	Transfer			19 Jul 2019	38,973.00	12,90,000.00	1.62
	Transfer			26 Jul 2019	81,000.00	13,71,000.00	1.72
	Transfer			02 Aug 2019	1,29,000.00	15,00,000.00	1.89
	Transfer			09 Aug 2019	30,000.00	15,30,000.00	1.92
	Transfer			16 Aug 2019	60,000.00	15,90,000.00	2.00
	Transfer			23 Aug 2019	40,000.00	16,30,000.00	2.05
	Transfer			30 Aug 2019	22,227.00	16,52,227.00	2.08
	Transfer			06 Sep 2019	69,773.00	17,22,000.00	2.17
	Transfer			13 Sep 2019	42,000.00	17,64,000.00	2.22
	Transfer			20 Sep 2019	19,138.00	17,83,138.00	2.24
	Transfer			27 Sep 2019	16,862.00	18,00,000.00	2.26
	Transfer			18 Oct 2019	24,137.00	18,24,137.00	2.29
	Transfer			25 Oct 2019	35,863.00	18,60,000.00	2.34
	Transfer			06 Dec 2019	86,012.00	19,46,012.00	2.45
	Transfer			13 Dec 2019	55,228.00	20,01,240.00	2.52
	Transfer			20 Dec 2019	1,13,760.00	21,15,000.00	2.66
	Transfer			27 Dec 2019	2,25,000.00	23,40,000.00	2.94
	Transfer			17 Jan 2020	96,000.00	24,36,000.00	3.06
	Transfer			24 Jan 2020	48,000.00	24,84,000.00	3.12
	AT THE END OF THE YEAR					24,84,000.00	3.12
2	BNK CAPITAL MARKETS LIMITED	17,41,508.00	2.19			17,41,508.00	2.19
	AT THE END OF THE YEAR					17,41,508.00	2.19
3	RADHAKISHAN S DAMANI	-	-			-	-
	Transfer			25 Oct 2019	5,00,000.00	5,00,000.00	0.63
	Transfer			01 Nov 2019	6,61,324.00	11,61,324.00	1.46
	Transfer			08 Nov 2019	1,00,000.00	12,61,324.00	1.59
	Transfer			15 Nov 2019	3,345.00	12,64,669.00	1.59
	Transfer			22 Nov 2019	3,96,655.00	16,61,324.00	2.09
	AT THE END OF THE YEAR					16,61,324.00	2.09
4	LIFE INSURANCE CORPORATION OF INDIA	13,26,769.00	1.67			13,26,769.00	1.67
	AT THE END OF THE YEAR					13,26,769.00	1.67
5	MFS INTERNATIONAL NEW DISCOVERY FUND	7,23,473.00	0.91			7,23,473.00	0.91
	AT THE END OF THE YEAR					7,23,473.00	0.91

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding during the year	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of the Company
6	SARAVANA STOCKS PVT. LIMITED	-	-			-	-
	Transfer			14 Jun 2019	89.00	89.00	0.00
	Transfer			29 Jun 2019	6,290.00	6,379.00	0.01
	Transfer			07 Feb 2020	43,621.00	50,000.00	0.06
	Transfer			14 Feb 2020	50,000.00	1,00,000.00	0.13
	Transfer			21 Feb 2020	50,000.00	1,50,000.00	0.19
	Transfer			28 Feb 2020	20,000.00	1,70,000.00	0.21
	Transfer			06 Mar 2020	3,30,000.00	5,00,000.00	0.63
	AT THE END OF THE YEAR					5,00,000.00	0.63
7	MAURYAN FIRST	2,35,027.00	0.30			2,35,027.00	0.30
	Transfer			31 May 2019	45,000.00	2,80,027.00	0.35
	Transfer			07 Jun 2019	34,616.00	3,14,643.00	0.40
	Transfer			14 Jun 2019	85,678.00	4,00,321.00	0.50
	Transfer			21 Jun 2019	38,000.00	4,38,321.00	0.55
	Transfer			29 Jun 2019	642.00	4,38,963.00	0.55
	Transfer			05 Jul 2019	2,000.00	4,40,963.00	0.55
	Transfer			12 Jul 2019	2,000.00	4,42,963.00	0.56
	Transfer			16 Aug 2019	7,677.00	4,50,640.00	0.57
	Transfer			23 Aug 2019	92,018.00	5,42,658.00	0.68
	Transfer			30 Aug 2019	81,992.00	6,24,650.00	0.79
	Transfer			14 Feb 2020	(38,795.00)	5,85,855.00	0.74
	Transfer			21 Feb 2020	(84,908.00)	5,00,947.00	0.63
	Transfer			28 Feb 2020	(39,092.00)	4,61,855.00	0.58
	AT THE END OF THE YEAR					4,61,855.00	0.58
8	ICICI BANK LIMITED	-	-			-	-
	Transfer			31 May 2019	5,191.00	5,191.00	0.01
	Transfer			07 Jun 2019	38,996.00	44,187.00	0.06
	Transfer			14 Jun 2019	4,230.00	48,417.00	0.06
	Transfer			21 Jun 2019	4,571.00	52,988.00	0.07
	Transfer			29 Jun 2019	8,831.00	61,819.00	0.08
	Transfer			05 Jul 2019	24,522.00	86,341.00	0.11
	Transfer			12 Jul 2019	(4,828.00)	81,513.00	0.10
	Transfer			19 Jul 2019	2,00,616.00	2,82,129.00	0.35
	Transfer			26 Jul 2019	1,45,008.00	4,27,137.00	0.54
	Transfer			02 Aug 2019	314.00	4,27,451.00	0.54
	Transfer			09 Aug 2019	(3,39,822.00)	87,629.00	0.11
	Transfer			16 Aug 2019	3,93,657.00	4,81,286.00	0.61
	Transfer			23 Aug 2019	(1,340.00)	4,79,946.00	0.60
	Transfer			30 Aug 2019	(4,977.00)	4,74,969.00	0.60
	Transfer			06 Sep 2019	35,226.00	5,10,195.00	0.64
	Transfer			13 Sep 2019	(1,091.00)	5,09,104.00	0.64
	Transfer			20 Sep 2019	1,519.00	5,10,623.00	0.64
	Transfer			27 Sep 2019	(32.00)	5,10,591.00	0.64
	Transfer			30 Sep 2019	(5,856.00)	5,04,735.00	0.63
	Transfer			04 Oct 2019	5,558.00	5,10,293.00	0.64
	Transfer			11 Oct 2019	1,824.00	5,12,117.00	0.64
	Transfer			18 Oct 2019	(4,189.00)	5,07,928.00	0.64
	Transfer			25 Oct 2019	8,044.00	5,15,972.00	0.65

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding during the year	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of the Company
	Transfer			01 Nov 2019	(3,503.00)	5,12,469.00	0.64
	Transfer			08 Nov 2019	1,649.00	5,14,118.00	0.65
	Transfer			15 Nov 2019	94.00	5,14,212.00	0.65
	Transfer			22 Nov 2019	(25,646.00)	4,88,566.00	0.61
	Transfer			29 Nov 2019	987.00	4,89,553.00	0.62
	Transfer			06 Dec 2019	6,574.00	4,96,127.00	0.62
	Transfer			13 Dec 2019	8,124.00	5,04,251.00	0.63
	Transfer			20 Dec 2019	57,202.00	5,61,453.00	0.71
	Transfer			27 Dec 2019	(3,66,072.00)	1,95,381.00	0.25
	Transfer			31 Dec 2019	(8,954.00)	1,86,427.00	0.23
	Transfer			03 Jan 2020	29,883.00	2,16,310.00	0.27
	Transfer			10 Jan 2020	4,020.00	2,20,330.00	0.28
	Transfer			17 Jan 2020	(94,436.00)	1,25,894.00	0.16
	Transfer			24 Jan 2020	72,142.00	1,98,036.00	0.25
	Transfer			31 Jan 2020	21,633.00	2,19,669.00	0.28
	Transfer			07 Feb 2020	26,036.00	2,45,705.00	0.31
	Transfer			14 Feb 2020	(16,817.00)	2,28,888.00	0.29
	Transfer			21 Feb 2020	(8,525.00)	2,20,363.00	0.28
	Transfer			28 Feb 2020	(44,917.00)	1,75,446.00	0.22
	Transfer			06 Mar 2020	(7,154.00)	1,68,292.00	0.21
	Transfer			13 Mar 2020	(10,814.00)	1,57,478.00	0.20
	Transfer			20 Mar 2020	2,65,732.00	4,23,210.00	0.53
	Transfer			27 Mar 2020	1,406.00	4,24,616.00	0.53
	Transfer			31 Mar 2020	(1,377.00)	4,23,239.00	0.53
	AT THE END OF THE YEAR					4,23,239.00	0.53
9	UPENDRA DOSHI	7,00,000.00	0.88			7,00,000.00	0.88
	Transfer			31 Jan 2020	(2,10,000.00)	4,90,000.00	0.62
	Transfer			07 Feb 2020	(73,391.00)	4,16,609.00	0.52
	Transfer			14 Feb 2020	(16,609.00)	4,00,000.00	0.50
	AT THE END OF THE YEAR					4,00,000.00	0.50
10	BALKRISHNA KESHARLAL KABARE HUF	3,05,983.00	0.38			3,05,983.00	0.38
	Transfer			05 Apr 2019	(2,46,265.00)	59,718.00	0.08
	Transfer			19 Apr 2019	2,31,282.00	2,91,000.00	0.37
	Transfer			29 Jun 2019	53,576.00	3,44,576.00	0.43
	Transfer			19 Jul 2019	(3,41,549.00)	3,027.00	0.00
	Transfer			23 Aug 2019	(2,940.00)	87.00	0.00
	Transfer			06 Dec 2019	5,342.00	5,429.00	0.01
	Transfer			27 Dec 2019	3,91,279.00	3,96,708.00	0.50
	Transfer			24 Jan 2020	(60,494.00)	3,36,214.00	0.42
	Transfer			21 Feb 2020	(24,000.00)	3,12,214.00	0.39
	Transfer			28 Feb 2020	24,000.00	3,36,214.00	0.42
	Transfer			27 Mar 2020	(100.00)	3,36,114.00	0.42
	Transfer			31 Mar 2020	100.00	3,36,214.00	0.42
	AT THE END OF THE YEAR					3,36,214.00	0.42

Note:

1. Paid up equity shares of the Company (Face Value Rs. 5.00) at the end of the year is 7,95,34,226 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding during the year	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of the Company
A)	**Name of the Director**						
	Mr. Sanjiv Goenka	80,876	0.10	-	-	80,876	0.10
	Mr. Shashwat Goenka	66,844	0.08			66,844	0.08
B)	**Key managerial personnel (KMP's)**	-	-	-	-	-	-
	At the end of the year	1,47,720	0.18			1,47,720	0.18

V) INDEBTEDNESS

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

(Rs. In Lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	**Nil**	**Nil**	**Nil**	**Nil**
Change in Indebtedness during the financial year				
· Addition	7,000.00	2,856.26*	Nil	9,856.26
· Reduction	Nil	Nil	Nil	-
Net Change	**7,000.00**	**2,856.26**	**Nil**	**9,856.26**
Indebtedness at the end of the financial year				
i) Principal Amount	7,000.00	2,856.26	Nil	9,856.26
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	1.82	47.50	Nil	49.32
Total (i+ii+iii)	**7,001.82**	**2,903.76**	**-**	**9,905.58**

* This is net of repayment during the year.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. In Lakhs)

Sl. No.	Particulars of Remuneration	MD/WTD/ Manager		Total Amount
		CEO & Managing Director	Whole-time Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	459.15	145.25	604.40
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-		-
2	Stock Option	-	-	-
3	Sweat equity	-	-	-
4	Commission	-	-	-
	- as % of profit			
	- others.			
5	Others – Contribution to Provident and Superannuation Fund	17.05	5.81	22.86
	Rent a cab	18.01	11.00	29.01
	Total	494.21	162.06	656.27
	Ceiling as per the Act			-

B. Remuneration to other directors:

(Rs. In Lakhs)

Sl. No.	Particulars of Remuneration	Name of the Director				Total Amount
		Utsav Parekh	Pratip Chaudhuri	Rekha Sethi	Debanjan Mandal	
1	**Independent Directors**					
	(a) Fee for attending board and committee meetings	12.00	9.50	4.50	6.00	32.00
	(b) Commission	-	-	-	-	-
	(c) Others	-	-	-	-	-
	Total(1)	**12.00**	**9.50**	**4.50**	**6.00**	**32.00**
2	**Other Non Executive Directors**	**Sanjiv Goenka**	**Shashwat Goenka**			
	(a) Fee for attending board and committee meetings	8.50	8.50			17.00
	(b) Commission	-	-			-
	(c) Others	-	-			
	Total(2)	**8.50**	**8.50**			**17.00**
	Total(B)=(1+2)	**20.50**	**18.00**	**4.50**	**6.00**	**49.00**
	Total Managerial Remuneration	-	-	-	-	
	overall Ceiling as per the Act	-	-	-	-	

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

(Rs. In Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Arvind Vats, CFO upto 1 July 2019	Total Amount
		Rama Kant, Company Secretary	Kumar Tanmay, CFO w.e.f. 14 August 2019		
1	Gross salary	23.12	101.10	70.81	195.03
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat equity	-	-		-
4	Commission	-	-		-
	- as % of profit				
	- others.				
5	Others – Contribution to Provident and Superannuation Fund	1.25	4.26	1.95	7.46
	Rent a cab	2.10	-	1.76	3.86
	Total	26.47	105.36	74.52	206.35

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties/punishment/compounding of offences during the year under review.

For and on behalf of the Board of Directors

Dr. Sanjiv Goenka
Chairman
(DIN : 00074796)

Kolkata
June 29, 2020

(Annexure 'E' to Board's Report)

Business Responsibility Report

About this Report

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 2019-20 forming part of this Annual Report is as follows:

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L74999WB2017PLC219355
2.	Name of the Company	Spencer's Retail Limited (SRL)
	Registered Office Address:	Duncan House, 31, Netaji Subhas Road, Kolkata- 700 001
4.	Website	www.spencersretail.com
5.	E-mail ID	spencers.secretarial@rpsg.in
6.	Financial Year reported	2019-20
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	**Sl.** 1. / **Product** Retail / **Industrial Activity Code (NIC Code)** 47
8.	Three key products/services that the Company manufactures/ provides	Retail
9.	Total number of locations where business activity is undertaken by the Company.	
	(a) Number of International locations	Nil
	(b) Number of National locations	SRL has its registered and corporate office in Kolkata. Natures Basket Limited (NBL) has its registered and corporate office in Mumbai. Omnipresent Retail India Private Limited (ORIPL) has its registered office in Delhi and corporate office in Kolkata. It has following stores/distribution centres: Stores 191 (Spencers 160 and Natures Basket 31) Distribution centres 14 (Spencers 12 and Natures Basket 2)
10	Markets served by the Company Local/State/National/International	SRL and its subsidiaries operate across India.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up share Capital (INR) (As on 31.03.2020)	39,76,71,130/-
2.	Total Income (in lakhs) (FY 2019-20)	240,283.86
3.	Total profit after taxes (in lakhs) (FY 2019-20)	(5,701.91)
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 31st March, 2020, SRL has two subsidiaries namely: 1. Omnipresent Retail India Private Limited 2. Natures Basket Limited (w.e.f. 4th July 2019)
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 30% 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 NVGs) 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 marginalized [P4]

Principle 5: Human Rights
Businesses should respect and promote human rights [P5]

Principle 6: Environment
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
1	Do you have a policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	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								
4	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 obligations and disclosures requirements) Regulation, 2015 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.								
5	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/ Unit Heads of the Company, overseas the implementation of the policy across the organisation.								
6	Indicate the link for the policy to be viewed online?	Policies mandated to be displayed on website the Company as per the Act and LODR are displayed at the http://www.spencersretail.com/investor/policy								
7	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.								
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	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
10	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 policy is 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 is first Business Responsibility Report being published by the Company as part of annual report. The Report can also be accessed on the Company's website at http://www.spencersretail.com/investor/policy

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 organization, 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 communicate 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, 2020 opening balance of the complaints was NIL and 28 complaints were received from the shareholders and the same were resolved during the year under review.

   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. The Company 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 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 optimize 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 optimize 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 questions are not applicable to the Company.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

   a. 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 authorized 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. Our Company has been recognised 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 employees	5224
2	Total number of employees hired on temporary/ contractual/ casual basis.	1649
3	Number of permanent women employees.	979
4	Number of permanent employees with disabilities	NA
	Employee associations recognized by the management.	The Company does not have any recognised employee association.
	Percentage of permanent employees who are members of recognized 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

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	06	Nil
Discriminatory employment	Nil	Nil

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?	Permanent Employees	100%
		Permanent Women Employees	100%
		Casual/ Temporary/ Contractual Employees	100%
		Employees with disabilities	NA

Principle 4: Stakeholders' Engagement

Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the company mapped its internal and external stakeholders? Yes
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders? Yes
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   The Company recognizes 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 adhere 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 year 2019-20.

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
   - 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 fibre like cotton etc..

3. Does the company identify and assess potential environmental risks?

   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 FY 2019-20.

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 organization? 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 INR 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 31 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 behavior 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 anticompetitive 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

Kolkata
June 29, 2020

Dr. Sanjiv Goenka
Chairman
(DIN : 00074796)

(Annexure 'F' to Board's Report)

Form No. MR-3

SECRETARIAL AUDIT REPORT
for the Financial Year ended 31.03.2020
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Spencer's Retail Limited
Regd Office- Duncan House,
31, Netaji Subhas Road,
Kolkata-700 001

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

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and read with the Statutory Auditors' Report on Financial Statements and Certificate on compliance of conditions of Corporate Governance and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, including by way of remote audit, we hereby report that in our opinion and to the best of our information, knowledge and belief and accordingto the explanations given to us, the Company has, during the audit period covering the financial year ended on 31.03.2020 generally complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by SPENCER'S RETAIL LIMITED "the Company" for the financial year ended on 31.03.2020 according to the applicable provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (`SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act; 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable to the Company:- As reported to us, there were no FDI and ODI transactions in the Company during the year under 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;
   c) The Securities and Exchange Board of India

(Issue of Capital and Disclosure Requirements) Regulations, 2009:- The Company has filed a draft letter of offer with SEBI on 12.05.2020 for issue of Equity shares of the company for a sum not exceeding Rs. 80 crore on rights basis to its eligible shareholders registered in the books as on date to be fixed by a committee of the Board and on such terms and conditions as the committee may decide in accordance with applicable laws.

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; The members of the company at the last Annual General Meeting held on 19 July, 2019 have inter-alia approved the "Spencer's Employees Stock Option Scheme 2019" (ESOP 2019) on such terms and conditions as per details given in the said special resolution to be implemented through the Spencer's Employee Benefit Trust, in accordance with applicable laws. As on the date of this Report, 1,20,000 options have been granted under the ESOP 2019 Scheme.

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; No instances were reported during the year.

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - The Company has duly appointed a SEBI authorized Category I Registrar and Share Transfer Agent as required under Law.

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; No Delisting was done during the year.

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.No buy – back was done during the year

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

i. Secretarial Standards issued by the Institute of Company Secretaries of India;

ii. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

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 spentby the Company on CSR during the year as the Company was incorporated only on 08.02.2017. However the company has constituted a CSR committee to take steps 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 notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

4. Based on the compliance mechanism established by the Company and on the basis of the certificates placed before the Board and taken on record by the Directors at their meetings, we are of the opinion that the Company has adequate systems and processes commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and the Company has complied with the following laws specifically applicable to it, as reported to us:-

   (i) Food Safety & Standards Act, 2016 and Regulations framed thereunder;

   (ii) The Essential Commodities Act, 1955;

   (iii) Legal Metrology Act, 2009 and Packaged Commodities Rules, 2011;

   (iv) Consumer Protection Act, 1986;

   (v) Insecticides Act, 1968;

   (vi) Trade Marks Act, 1999;

   (vii) The Payment of Bonus Act, 1965.

   (viii) The Industrial Disputes Act, 1947.

   (ix) The Employees Provident Fund and Miscellaneous Provisions Act, 1952.

   (x) The Employees' State Insurance Act, 1948.

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

1. Except for the demerger of the generation undertaking of CESC Limited and its transfer and vesting into Haldia Energy Limited, a wholly owned subsidiary of CESC Limited, the Composite Scheme of Arrangement amongst CESC Ltd, and other eight subsidiaries of CESC and their respective shareholders as sanctioned by the Kolkata Bench of the Hon'ble National Company Law Tribunal has been made effective from 01.10.2017. However, the said demerger proposal of generation undertaking has been withdrawn with effect from 14.11.2019 and it is no longer being pursued with the Hon'ble Bench. This will have no impact on Spencer's Retail Limited.

2. The Preference shares allotted to CESC Limited pursuant to the composite scheme are not listed.

3. Apart from the Registered office of the company, it also has an office at RPSG House, 2/4 Judges Court Road, Kolkata-700 027

4. During the year under review the erstwhile Statutory Auditors Batliboi, Purohit & Darbari resigned w.e.f. 14.11.2019 and the resultant casual vacancy was filled up by appointment of S.R. Batliboi & Co, LLP and the same was approved by the members.

5. During the year under review the company created charges on its assets for Rs. 30 crore and Rs. 40 crore respectively in favour of RBL Bank Limited, Kolhapur (Maharashtra).

6. All provisions of IEPF rules are not applicable to the company as it has not yet completed seven years of its incorporation.

7. The Company has acquired 100% stake on 04.07.2019 in Natures Basket limited (NBL), a wholly owned subsidiary of Godrej Industries Limited at an enterprise value of Rs. 300 crore settled through cash and takeover of outstanding debts by acquiring 44,58,30,000 equity shares of Rs. 10 /- each fully paid up in NBL.

8. This Report is being issued under the conditions of lockdown due to COVID-19 with limited resources available to us.

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

S. M. Gupta
Partner

S. M. Gupta & Co.
Company Secretaries
Firm Registration No.: P1993WB046600
Membership no. : FCS- 896, CP No : 2053
Peer Review No: 718/2020
UDIN: F000896B000397919

Kolkata
June 29, 2020

Enclo: Annexure forming an integral part of this Report

"Annexure"

To,
The Members,
Spencer's Retail Limited
(CIN : L74999WB2017PLC219355)
Regd Office- Duncan House,
31, NetajiSubhas Road,
Kolkata-700 001

Our Report of even date is to be read alongwith 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 provisionsof Corporate and other applicable laws, rules, regulationsis the responsibility of the management. Our examination was limited to the verification of secretarial records on test basis to the extent applicable to the Company.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

S. M. Gupta
Partner

S. M. Gupta & Co.
Company Secretaries
Firm Registration No.: P1993WB046600
Membership no. : FCS- 896, CP No : 2053
Peer Review No: 718/2020
UDIN: F000896B000397919

Kolkata
June 29, 2020

(Annexure 'G' to Board's Report)

Report on Corporate Social Responsibility Activities

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

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

   a) Provision of access to basic healthcare services/ facilities, safe drinking water & sanitation and conducting health awareness camps;

   b) Empowerment of the disadvantaged sections of society through promoting inclusive education for all, as well as through livelihood generation and skill development;

   c) Supporting environmental and ecological balance through energy conservation, adoption of initiatives resulting into Greenhouse Gas Emissions (GHG) reduction and transformation into a low carbon business practices;

   d) Undertaking livelihood generation/promotion and women empowerment projects;

   e) Any other programme that falls under the Company's CSR Policy and is aimed at the empowerment of disadvantaged sections of the society.

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

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

   No amount was required to be spent by the Company on CSR during the year as the Company was incorporated only on 08.02.2017 and incurred losses during 2019-20. However, the Company has constituted a CSR committee to take steps as required under law.

2. Composition of CSR Committee: The CSR Committee consists of Mr. Sanjiv Goenka, Chairman, Mr. Shashwat Goenka, Non-Executive Director and Mr. Utsav Parekh, Independent Director.
3. Average net profit for the last three financial years: N.A.
4. Prescribed CSR Expenditure (two percent of the above amount as in item 3 above) is N.A.
5. (a) Total amount spent for the financial year 2019-20 is : N.A.

   (b) Unspent amount for financial year 2019-20 is NIL.

   (c) Manner in which the amount was spent during the financial year : N.A.
6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report: N.A.
7. Responsibility Statement: It is stated that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

Dr. Sanjiv Goenka
Chairman
DIN: 00074796

Devendra Chawla
CEO and Managing Director
DIN: 03586196

Kolkata,
June 29, 2020

(Annexure 'H' to Board's Report)

Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo

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

(A) Conservation of Energy:

i. The steps taken or impact on conservation of energy	The operations of your company are not energy intensive, however, adequate measures have been taken to reduce energy consumption.
ii. The steps taken by the company for utilising alternate sources of energy	All efforts are made to use more natural lights in offices/store premises to optimize the consumption of energy. 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) (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	N.A.
iv. The expenditure incurred on Research and Development.	NIL

(C) 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 have been no foreign exchange earnings during the year. The total foreign exchange outgo was Rs. 0.13 crores for the year 2019-20 (previous year Rs. 2.42 crores).

For and on behalf of the Board of Directors

Dr. Sanjiv Goenka
Chairman
(DIN : 00074796)

Kolkata
June 29, 2020

(Annexure 'I' to Board's Report)

Particulars of Remuneration

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

1) The ratio of the remuneration (including sitting fees) of the Directors constituted during the financial year 2019-20 –Mr. 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 2019-20 is 6.67:1, 6.67:1, 9.42:1, 7.46:1, 4.71:1, 3.53:1, 385:1 and 122.98:1. The percentage increase in remuneration of each director is 467%, 467%, 380%, 280%, NA, NA, 975.4% and 175.8%. All the directors were appointed on 14th November 2018 and MD & CEO and one independent director were appointed on 11 February, 2019 and hence the remuneration paid YoY is not comparable. The increase in remuneration of the Chief Financial Officer (CFO) is not applicable since the current CFO has been appointed during the year 2019-20. The current Company Secretary was appointed on 11 February, 2019 and percentage increase in remuneration is 486.3% and hence the remuneration paid YoY is not comparable. During the said financial year, there was an increase of 4.89 % in the median remuneration of employees on the rolls as at 31st March, 2020. There were 5224 employees on the rolls of Company as on 31st March, 2020.
2) During the financial year 2019-20, the average increase in the remuneration was 8.2 %.
3) The average % increase in the salaries of the employees on roll as at 31 March 2020 other than the managerial personnel was 8.2 % in 2019-20 whereas the increase in the managerial remuneration for the same financial year was 7 %.
4) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Dr. Sanjiv Goenka
Chairman
(DIN : 00074796)

Kolkata
June 29, 2020

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Spencer's Retail Limited (formerly known as RP-SG Retail Limited) ("the Company"), which comprise the Balance sheet as at March 31 2020, 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 Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, 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 Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
Impairment Testing for Brand *(as described in Note 4 of the standalone Ind AS financial statements)*	
The Company has an acquired brand (intangible asset) as at March 31, 2020 assessed to be with 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 Ind AS financial statements. For this assessment, the Company engages a valuer to determine the recoverable value of brand using valuation techniques, which is highly 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. Accordingly, impairment testing for the brand is determined to be a key audit matter in our audit of the standalone Ind AS financial statements.	Our audit procedures included, among others the following: • We read and assessed the Company's accounting policies with respect to impairment testing. • We obtained and reviewed the brand valuation report produced by the Company's independent valuation specialist and also assessed the valuation specialist's objectivity and independence. • We evaluated the independent valuation specialist's methodology, assumptions and estimates used in the calculations. In performing these procedures, we also engaged valuation specialists. • We assessed management's sensitivity analysis around the key assumptions. • We read and assessed the disclosures made in the standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Fair Valuation of Investment in Subsidiaries *(as described in Note 6 of the standalone Ind AS financial statements)*	
The Company carries its investment in subsidiaries at fair value through Other Comprehensive Income (FVTOCI). The Company engages a valuer to determine the fair value of such investment using the discounted cash flow method of valuation, which is highly sensitive to changes in inputs used in valuation and involves judgment due to inherent uncertainty in the assumptions used for forecasting the future cash flows. Accordingly, the fair valuation of investment in subsidiary companies is determined to be a key audit matter in our audit of the standalone Ind AS financial statements.	Our audit procedures included, among others the following: • We obtained and reviewed the fair valuation reports produced by the Company's independent valuation and also assessed the valuation specialist's objectivity and independence. • We evaluated the independent valuation specialist's methodology, assumptions and estimates used in the calculations. In performing these procedures, we also engaged valuation specialists. • We read and assessed the disclosures made in the standalone Ind AS financial statements.
Adoption of Ind AS 116 "Leases" effective from April 1, 2019 *(as described in Note 31 of the standalone Ind AS financial statements)*	
The Company has adopted Ind AS 116 "Leases" in the current year, which replaced the erstwhile Ind AS 17 "Leases", which resulted in changes to accounting policies. The Company has adopted Ind AS 116 effective April 1, 2019 and has not restated comparative information in accordance with transitional provisions of Ind AS 116. The application of the new standard resulted in recognition of right-of-use assets (ROU), decrease in pre-paid expenses, corresponding increase in lease liabilities and recognition of cumulative effect of initially applying the Standard as an adjustment to the opening balance of retained earnings. The measurement of ROU and lease liabilities are based on assumptions such as discount rates and lease terms, including termination and renewal options. Such assumptions are highly sensitive to changes in inputs and involves judgement due to inherent uncertainty in the assumptions used. Accordingly, adoption of Ind AS 116 "Leases" is determined to be a key audit matter in our audit of the standalone Ind AS financial statements.	Our audit procedures included, among others the following: • We read and assessed the Company's accounting policy with respect to recognition of leases in accordance with Ind AS 116. • We obtained an understanding, evaluated the design and tested the operating effectiveness of key controls that the Company has in relation to accounting of leases under Ind AS 116. • We tested the completeness of the lease master and on a sample basis tested the accuracy of the underlying lease master by agreeing the underlying data pertaining to lease rentals, term, escalation and other relevant terms and conditions to lease agreements. • We also recomputed, on a sample basis, the calculation involved and tested the arithmetical accuracy of the data. • We assessed management's sensitivity analysis around the discount rate applied. • We read and assessed the disclosures made in the standalone Ind AS financial statements.

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 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 Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 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

The Ind AS financial statements of the Company for the year ended March 31, 2019, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 17, 2019.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 30(a) to the standalone Ind AS financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Kamal Agarwal
Partner
Membership Number: 058652
UDIN: 20058652AAAABV6038
Place of Signature: Kolkata
Date: June 29, 2020

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

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment/ fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature	Disputed Amount	Period	Forum where the dispute is pending	State
Maharashtra Value Added Tax Act, 2002	Mismatch of Input Tax Credit	1,82,92,162	2013-14	Jt. Comm. of Sales Tax (Appeal)	Maharashtra
Maharashtra Value Added Tax Act, 2002	Disallowance of Input Tax Credit	5,68,56,986	2009-10	Jt.Comm. of Sales Tax (Appeal)	Maharashtra
West Bengal Value Added Tax Act, 2003	Mismatch of Input Tax Credit	72,68,000	2016-17	Additional Commissioner	West Bengal
West Bengal Value Added Tax Act, 2003	Mismatch of Input Tax Credit	12,000	2015-16	WBCT Appellate & Revisional Board.	West Bengal
West Bengal Value Added Tax Act, 2003	Mismatch of Input Tax Credit	83,16,030	2012-13	Additional Commissioner	West Bengal
West Bengal Value Added Tax Act, 2003	Mismatch of Input Tax Credit	85,80,192	2010-11	WBCT Appellate & Revisional Board.	West Bengal
Delhi Value Added Tax Act, 2004	Disallowance of input tax credit	4,31,840	2012-13	DC Appeals	Delhi
Jharkhand Value Added Tax Act, 2005	Disallowance of input tax credit	4,42,007	2009-10	Addl. Commissioner (Appeals)	Jharkhand
Tamil Nadu General Sales Tax Act, 1959	Demand notice under section 3J	62,41,205	2004-05	Assistant Commissioner	Tamil Nadu
Tamil Nadu General Sales Tax Act, 1959	Tax demand on first point sales	25,32,286	2001-02	Appellate DC	Tamil Nadu
West Bengal Sales Tax Act,1994	Demand on disputed stock transfer	29,57,000	2003-04	WBCT Appellate & Revisional Board.	West Bengal
Andhra Pradesh General Sales Tax Act, 1957.	Demand on single point tax	73,506	2003-04	AP State Appellate Authorities	Andhra Pradesh
Central Sales Tax Act, 1956	Non Submission of Form F	62,115	2016-17	Additional Commissioner	West Bengal

viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing from banks. The Company did not have any outstanding loans or borrowings in respect of a financial institution or Government or dues to debenture holders during the year.

ix. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised monies by way of initial public offer or further public offer or debt instruments.

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

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

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

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

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

xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Kamal Agarwal
Partner
Membership Number: 058652
UDIN: 20058652AAAABV6038
Place of Signature: Kolkata
Date: June 29, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SPENCER'S RETAIL LIMTED (FORMERLY KNOWN AS RP-SG RETAIL LIMITED)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Spencer's Retail Limited (formerly known as RP-SG Retail Limited) ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Kamal Agarwal
Partner
Membership Number: 058652
UDIN: 20058652AAAABV6038
Place of Signature: Kolkata
Date: June 29, 2020

Standalone Ind AS Balance Sheet as at 31st March 2020

₹ in Lakhs

	Notes	As at 31st March 2020	As at 31st March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	15,736.10	16,673.41
Capital work in progress	3	867.35	105.71
Right-of-use assets	31	40,976.19	-
Other intangible assets	4	9,235.87	9,179.66
Financial assets			
(i) Investments	6	31,617.07	6,719.79
(ii) Loans	10	4,418.46	3,362.17
(iii) Other financial assets	11	258.56	174.98
Tax assets (net)		1,456.14	798.17
Other assets	12	193.41	2,106.44
Total non-current assets (A)		**1,04,759.15**	**39,120.33**
Current assets			
Inventories	5	23,063.03	26,982.13
Financial assets			
(i) Investments	6	-	983.39
(ii) Trade receivables	7	6,119.42	4,567.77
(iii) Cash and cash equivalents	8	5,963.21	2,802.52
(iv) Bank balances other than (iii) above	9	-	19,101.32
(v) Other financial assets	11	114.66	141.30
Other assets	12	1,764.93	2,475.44
Total current assets (B)		**37,025.25**	**57,053.87**
TOTAL ASSETS (A+B)		**1,41,784.40**	**96,174.20**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13	3,976.71	3,976.71
Other equity	14	35,548.32	55,673.08
Total equity (C)		**39,525.03**	**59,649.79**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	2,333.20	-
(ii) Lease liabilities	31	47,725.80	-
(iii) Other financial liabilities	16	94.43	85.47
Provisions	20	975.70	816.16
Total non-current liabilities (D)		**51,129.13**	**901.63**
Current liabilities			
Contract liabilities	17	644.88	393.59
Financial liabilities			
(i) Borrowings	15	6,856.26	-
(ii) Lease liabilities	31	6,801.80	-
(iii) Trade payables	18		
- Total outstanding dues of micro enterprises and small enterprises		136.43	67.50
- Total outstanding dues of creditors other than micro enterprises and small enterprises		30,880.22	31,177.02
(iv) Other financial liabilities	16	2,893.91	2,110.73
Other current liabilities	19	1,657.46	452.83
Provisions	20	1,259.28	1,421.11
Total current liabilities (E)		**51,130.24**	**35,622.78**
TOTAL EQUITY AND LIABILITIES (C+D+E)		**1,41,784.40**	**96,174.20**

The accompanying notes form an integral part of these Standalone Ind AS Financial Statements.

This is the Standalone Ind AS 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 : 29th June 2020

For and on behalf of Board of Directors

Devendra Chawla
Chief Executive Officer
and Managing Director
DIN: 03586196
Place : Gurugram

Shashwat Goenka
Director
DIN: 03486121
Place : Kolkata

Sanjiv Goenka
Chairman
DIN: 00074796
Place : Kolkata

Rahul Nayak
Whole-time Director
DIN: 06491536
Place : Mumbai
Date : 29th June 2020

Rama Kant
Company Secretary
Place : Kolkata

Kumar Tanmay
Chief Financial Officer
Place : Mumbai

Standalone Ind AS Statement of Profit and Loss for the year ended 31st March 2020

₹ in Lakhs

	Notes	For the year ended 31st March 2020	For the year ended 31st March 2019
Income			
Revenue from operations	21	2,37,328.94	2,18,718.58
Other income	22	2,954.92	2,778.92
Total Income (I)		**2,40,283.86**	**2,21,497.50**
Expenses			
Cost of raw materials consumed	23	620.77	687.07
Purchases of stock-in-trade		1,82,668.89	1,74,284.57
Changes in inventories of finished goods and stock-in-trade	24	3,923.57	(2,705.81)
Employee benefits expense	25	16,056.96	14,208.14
Other expenses	26	26,132.31	30,851.30
Total Expenses (II)		**2,29,402.50**	**2,17,325.27**
Earnings before interest expenses, tax, depreciation and amortisation (EBITDA) [(I)-(II)]		**10,881.36**	**4,172.23**
Depreciation and amortisation	27	10,496.18	2,454.86
Finance costs	28	6,087.09	744.65
Profit / (loss) before tax (III)		**(5,701.91)**	**972.72**
Tax expense			
Current tax	34	-	178.52
Profit / (loss) for the year (IV)		**(5,701.91)**	**794.20**
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit and loss account			
Remeasurement of defined benefit plans		(141.80)	(143.43)
[net of tax of ₹ Nil (previous year : ₹37.18 Lakhs)]			
Other comprehensive income/(loss) for the year (V)		**(141.80)**	**(143.43)**
Total comprehensive income for the year [(IV)+(V)]		**(5,843.71)**	**650.77**
Earnings per share - Basic and Diluted	29	**(7.17)**	**1.00**
[Nominal value per equity share ₹5 (31st March 2019: ₹5)]			

The accompanying notes form an integral part of these Standalone Ind AS Financial Statements.
This is the Standalone Ind AS 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 : 29th June 2020

For and on behalf of Board of Directors

Devendra Chawla
Chief Executive Officer
and Managing Director
DIN: 03586196
Place : Gurugram

Shashwat Goenka
Director
DIN: 03486121
Place : Kolkata

Sanjiv Goenka
Chairman
DIN: 00074796
Place : Kolkata

Rahul Nayak
Whole-time Director
DIN: 06491536
Place : Mumbai
Date : 29th June 2020

Rama Kant
Company Secretary
Place : Kolkata

Kumar Tanmay
Chief Financial Officer
Place : Mumbai

Standalone Ind AS Statement of Changes in Equity for the year ended 31st March 2020

A. Equity share capital

	31st March 2020		31st March 2019	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Balance at the beginning of the year	7,95,34,226	3,976.71	-	-
Equity shares allotted pursuant to the Scheme (refer note 41)	-	-	7,95,34,226	3,976.71
Balance at the end of the year	**7,95,34,226**	**3,976.71**	**7,95,34,226**	**3,976.71**

B. Other Equity

₹ in Lakhs

	Reserve and Surplus 31st March 2020		Total
	Capital reserve	Retained earnings	
Balance as at 1st April 2018	55,965.23	(942.92)	55,022.31
Profit for the year	-	794.20	794.20
Remeasurement of defined benefit plans	-	(143.43)	(143.43)
Balance at 31st March 2019	**55,965.23**	**(292.15)**	**55,673.08**
Adjustment on account of adoption of Ind AS 116 Leases [(Refer Note 2.1(b) & Note 31]	-	(14,281.05)	(14,281.05)
Balance at 1st April 2019 after adjustment	**55,965.23**	**(14,573.20)**	**41,392.03**
Loss for the year	-	(5,701.91)	(5,701.91)
Remeasurement of defined benefit plans	-	(141.80)	(141.80)
Balance at 31st March 2020	**55,965.23**	**(20,416.91)**	**35,548.32**

The accompanying notes form an integral part of these Standalone Ind AS Financial Statements.

This is the Standalone Ind AS 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 : 29th June 2020

For and on behalf of Board of Directors

Devendra Chawla
Chief Executive Officer and Managing Director
DIN: 03586196
Place : Gurugram

Shashwat Goenka
Director
DIN: 03486121
Place : Kolkata

Sanjiv Goenka
Chairman
DIN: 00074796
Place : Kolkata

Rahul Nayak
Whole-time Director
DIN: 06491536
Place : Mumbai
Date : 29th June 2020

Rama Kant
Company Secretary
Place : Kolkata

Kumar Tanmay
Chief Financial Officer
Place : Mumbai

Standalone Ind AS Cash flow Statement for the year ended 31st March 2020

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Operating Activities		
Profit / (loss) before tax	**(5,701.91)**	**972.72**
Adjustments :		
Depreciation and amortisation	10,496.18	2,454.86
Provision for bad and doubtful debts	947.06	94.24
Provision for doubtful store lease deposit	49.79	-
Provision for decommissioning liability	25.54	53.62
Provision for obsolete stocks	282.31	222.71
Interest on non-cumulative non-convertible redeemable preference shares	8.96	7.43
Finance cost	6,052.58	37.39
Fair value gain on investments measured at fair value through profit or loss (FVTPL)	(879.75)	(247.04)
Gain on sale of investments	(411.86)	(100.92)
Interest income	(649.59)	(1,824.52)
Gain on sale of property, plant and equipment	(40.84)	(27.28)
Reversal of net liability on termination of lease	(395.80)	-
Cash from operations before working capital changes	**9,782.67**	**1,643.21**
Working capital changes:		
(Increase)/decrease in inventories	3,636.79	(2,955.71)
(Increase) in trade receivables	(2,498.71)	(941.33)
(Increase) in loans	(869.93)	(386.42)
Decrease in other financial assets	10.77	215.85
(Increase)/decrease in other assets	344.42	(1,119.33)
Increase/ (decrease) in trade payables	(227.85)	3,290.43
Increase in financial liabilities	436.90	189.23
Increase in other current liabilities	613.32	103.42
Increase in contract liabilities	251.29	32.20
(Decrease) in provisions	(169.63)	(304.60)
Cash flow generated from / (used in) operating activities	**11,310.04**	**(233.05)**
Income taxes paid	(657.97)	(516.76)
Net cash generated from / (used in) operating activities (A)	**10,652.07**	**(749.81)**
Investing Activities		
Purchase of property, plant and equipments, including intangible assets, capital work in progress and capital advances	(3,813.53)	(4,504.70)
Proceeds from sale of property, plant and equipments	51.91	64.32
Payment towards acquisition of wholly owned subsidiary in a business combination	(17,438.04)	-
Investment in subsidiary companies	(5,800.00)	(625.00)
Investment in alternative investment fund	(202.50)	(375.00)
Proceeds from alternative investment fund	14.31	29.06
Purchase of mutual fund units	(49,983.69)	(18,418.07)
Proceeds from sale of mutual fund units	51,378.94	17,537.53
Investment in bank deposits	(20.50)	(34,424.80)
Redemption / maturity of bank deposits	19,036.64	40,333.11
Inter corporate deposit given	(3,600.00)	-
Inter corporate deposit received back	3,600.00	-
Interest received	389.58	2,017.03
Net cash generated from / (used in) investing activities (B)	**(6,386.88)**	**1,633.48**

Standalone Ind AS Cash-flow Statement for the year ended 31st March 2020

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Financing Activities		
Repayment of lease liabilities (principle)	(4,957.49)	-
Proceeds from non-current borrowings	3,000.00	-
Net movement in current borrowings	6,856.26	-
Interest paid	(6,003.27)	(9.28)
Net cash used in financing activities (C)	**(1,104.50)**	**(9.28)**
Net increase in cash and cash equivalents (A+B+C)	**3,160.69**	**874.39**
Cash and cash equivalents at the beginning of the year	2,802.52	1,928.13
Cash and cash equivalents at the end of the year	**5,963.21**	**2,802.52**
Components of cash and cash equivalents :		
Balance with banks in current accounts	5,318.40	1,360.80
Balance with credit card, e-wallet companies and others	289.71	777.31
Cash on hand	355.10	664.41
Total cash and cash equivalents (refer note 8)	**5,963.21**	**2,802.52**

Change in liabilities arising from financing activities :

₹ in Lakhs

Particulars	As at 1st April 2019	Cash flows Inflow/(outflow)	Non-cash changes	As at 31st March 2020
Other Financial Liabilities - Preference Shares	85.47	-	8.96	94.43
Non Current Borrowings	-	3,000.00	-	3,000.00
Current Borrowings	-	6,856.26	-	6,856.26
Lease Liabilities [refer note 31]	50,900.05	(4,957.49)	8,585.04	54,527.60

₹ in Lakhs

Particulars	As at 1st April 2018	Cash flows Inflow/(outflow)	Non-cash changes	As at 31st March 2019
Other Financial Liabilities - Preference Shares	78.04	-	7.43	85.47

Non-cash Investing activities includes addition to Right-of-Use assets (refer note 31)

The accompanying notes form an integral part of these Standalone Ind AS Financial Statements.

This is the Standalone Ind AS Cash flow Statement 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 : Gurugram

Shashwat Goenka
Director
DIN: 03486121
Place : Kolkata

Sanjiv Goenka
Chairman
DIN: 00074796
Place : Kolkata

Rahul Nayak
Whole-time Director
DIN: 06491536
Place : Mumbai
Date : 29th June 2020

Rama Kant
Company Secretary
Place : Kolkata

Kumar Tanmay
Chief Financial Officer
Place : Mumbai

Place : Kolkata
Date : 29th June 2020

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

1. Corporate Information

Spencer's Retail Limited ("the Company") was incorporated as RP-SG Retail Limited, a public limited company incorporated under the provisions of the Companies Act, 2013 ("the Act"), pursuant to the certificate of incorporation dated 8th February 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 13th December 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.

Information on related party relationships of the Company is provided in Note 37.

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 Ind AS financial statements which comprises the Balance Sheet as at 31 March, 2020, 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 Ind AS 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 31st March, 2020 were approved for issuance in accordance with the resolution of the Board of Directors on 29th June 2020.

(b) Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix A of Ind AS 17 Operating Leases-Incentives, Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under Ind AS 116 is substantially unchanged under Ind AS 17, Lessors will continue to classify leases as either operating or finance leases under similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have any impact for leases where the Company is the lessor.

Effective 1st April 2019 the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application as on 1st April 2019. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31st March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies as per Ind AS 17 'Leases' applicable till 31st March, 2019.

On transition, the adoption of the new standard resulted in recognition of Right-of-Use assets of ₹38,926.24 Lakhs and a lease liability of ₹50,900.05 Lakhs (refer note 31). The cumulative effect of applying the standard, amounting to ₹14,281.05 Lakhs was debited to retained earnings. In the current year, operating lease expenses which were recognised as other expenses in previous years is now recognised as depreciation expense for right-of-use asset

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

and finance cost for interest accrued on lease liability. Pursuant to above, loss before tax for the year ended 31st March 2020 is increased by ₹1,230.00 Lakhs and to this extent, results for the year ended 31st March 2020 are not comparable with previous year.

The following is the summary of practical expedients elected on initial application:

a) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics

b) Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application.

c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

d) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

The Company elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1st April 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

(c) 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
- Contingent consideration in a business combination

(d) 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.

(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 recognized 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), 20 & 30 (a)

(iv) Measurement of defined benefit obligations: key actuarial assumptions - Note 2.2(i), 36

(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 (p)(ii) & 34

(vii) Transition policy, choice, discounting rate and lease term for accounting of Right-of-use assets and lease liabilities under Ind AS 116 - Note 2.1(c), 2.2(o) and Note 31

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

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)

(i) Recognition and measurement

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

The cost of an item of property, plant and equipment comprises its purchase price inclusive of 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. Upto 31st March 2019, the present value of the expected cost to be incurred on removal ("restoration cost" or "Decommissioning liability") of assets at the time of store closure is included in the cost of lease hold improvements. With effect from 1st April 2019 restoration cost is capitalised with right-of-use assets.

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.

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

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

(iii) 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 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.

(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

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

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 comprise 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.

(i) 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.

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

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.

(ii) 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.

(iii) Offsetting financial instruments

Financial assets and liabilities are off set and the net amount is reported in the balance sheet where there is a legally enforceable right to 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.

(iv) 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 categorization

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

(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.

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

(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 recognize a contingent liability but discloses its existence in the financial statements.

(l) Revenue recognition

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

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

Sale of goods

Revenue 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) Leases

Accounting policies applicable from 1st April 2019:

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 recognizes 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 recognizes 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 recognized 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 leases 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.

Accounting policies applicable upto 31st March 2019:

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

(p) 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 utilized.,

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 realize the asset and settle the liability simultaneously.

(q) 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.

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

(r) 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.

(s) Segment reporting

Operating segment are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(t) 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.

(u) 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.

(v) 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.

(w) 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.

(x) Changes in accounting policies and disclosures due to new and amended standards having no material impact

Following are the amendments and interpretations issued during the year ended 31st March 2020, but either are not applicable on the Company or do not have a material impact on these financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective/ notified :

- Amendments to Ind AS 109 - Prepayment Features with Negative Compensation
- Amendments to Ind AS 19 - Plan Amendment, Curtailment or Settlement
- Amendments to Ind AS 28 - Long-term interests in associates and joint ventures
- Annual improvement to Ind AS 103 - Business Combinations
- Annual improvement to Ind AS 111 - Joint Arrangements
- Annual Improvement to Ind AS 23 - Borrowing Costs
- Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment
- Annual improvement on - Income tax

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

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 1st April 2018	**8,929.86**	**4,370.37**	**1,713.49**	**19.55**	**6,500.38**	**136.23**	**21,669.88**
Additions during the year	1,985.01	941.32	459.62	-	1,361.34	8.26	4,755.55
Disposals during the year	36.12	56.48	6.67	-	173.93	-	273.20
As at 31st March 2019	**10,878.75**	**5,255.21**	**2,166.44**	**19.55**	**7,687.79**	**144.49**	**26,152.23**
Additions during the year	1,174.05	392.27	327.55	-	616.40	0.46	2,510.73
Disposals during the year	37.28	-	-	-	26.88	-	64.16
As at 31st March 2020	**12,015.52**	**5,647.48**	**2,493.99**	**19.55**	**8,277.31**	**144.95**	**28,598.80**
Accumulated depreciation							
As at 1st April 2018	**2,394.63**	**1,124.24**	**1,092.34**	**18.22**	**2,810.97**	**26.92**	**7,467.32**
Depreciation for the year (refer note 27)	725.43	497.39	313.44	0.51	696.15	14.73	2,247.65
Disposals for the year	32.80	48.89	3.56	-	150.90	-	236.15
As at 31st March 2019	**3,087.26**	**1,572.74**	**1,402.22**	**18.73**	**3,356.22**	**41.65**	**9,478.82**
Depreciation for the year (refer note 27)	1,947.42	485.15	299.31	0.29	695.00	11.66	3,438.83
Disposals for the year	37.28	-	-	-	17.67	-	54.95
As at 31st March 2020	**4,997.40**	**2,057.89**	**1,701.53**	**19.02**	**4,033.55**	**53.31**	**12,862.70**
Net carrying amount							
As at 31st March 2020	**7,018.12**	**3,589.59**	**792.46**	**0.53**	**4,243.76**	**91.64**	**15,736.10**
As at 31st March 2019	**7,791.49**	**3,682.47**	**764.22**	**0.82**	**4,331.57**	**102.84**	**16,673.41**

Capital work in progress	**₹ in Lakhs**
As at 1st April 2018	**15.04**
Addition during the year	5,046.00
Less : Capitalised to Property, plant and equipment and intangible assets during the year	4,955.33
As at 31st March 2019	**105.71**
Addition during the year	3524.50
Less : Capitalised to Property, plant and equipment and intangible assets during the year	2762.86
As at 31st March 2020	**867.35**

Note : Refer note 15 for hypothecation of Property, plant and equipment.

4. Other intangible assets

₹ in Lakhs

	Computer softwares	Know-how and licenses	Designs	Brand*	Total
Gross carrying amount					
As at 1st April 2018	**807.94**	**295.05**	**-**	**8,625.00**	**9,727.99**
Additions during the year	83.05	-	116.73		199.78
As at 31st March 2019	**890.99**	**295.05**	**116.73**	**8,625.00**	**9,927.77**
Additions during the year	49.18	-	202.95	-	252.13
Disposals during the year	-	37.23	-	-	37.23
As at 31st March 2020	**940.17**	**257.82**	**319.68**	**8,625.00**	**10,142.67**
Accumulated amortisation					
As at 1st April 2018	**362.87**	**178.03**	**-**	**-**	**540.90**
Amortisation for the year (refer note 27)	128.98	54.67	23.56	-	207.21
As at 31st March 2019	**491.85**	**232.70**	**23.56**	**-**	**748.11**
Amortisation for the year (refer note 27)	96.83	29.46	67.77	-	194.06
Disposals for the year	-	35.37	-	-	35.37
As at 31st March 2020	**588.68**	**226.79**	**91.33**	**-**	**906.80**
Net carrying amount					
As at 31st March 2020	**351.49**	**31.03**	**228.35**	**8,625.00**	**9,235.87**
As at 31st March 2019	**399.14**	**62.35**	**93.17**	**8,625.00**	**9,179.66**

* 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. It is tested for impairment annually.

No impairment charges were recognised for the year ended 31st March 2020 (31st March 2019: Nil). The Company has

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

4. Other intangible assets *(continued)*

a single operating segment i.e. organised retail which is the only Cash Generating Unit (CGU).

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 year. 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. The calculations are based on relief from royalty method using cash flow projections based on financial budgets approved by management covering a five year period. The cash flows beyond the period of five years have been extrapolated at a rate of 4.50% per annum, based on the long-term average growth rate for the entity's business. The pre-tax discount rate of 20.24% per annum is based on the Weighted Average Cost of Capital (WACC) which represents the weighted average return attributable to all the assets of the CGU.

The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the CGU.

5. Inventories

(at the lower of cost and net realisable value)

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Raw materials	86.62	78.01
Finished goods	121.73	36.85
Stock-in-trade	22,558.63	26,567.08
Packing materials	296.05	300.19
	23,063.03	**26,982.13**

6. Investments

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
(i) Non-current		
Unquoted		
Investments in equity instruments		
Wholly owned subsidiaries : (At FVTOCI)		
Natures Basket Limited : 492,580,000 equity shares (31st March 2019: Nil equity shares) of ₹10 each, fully paid up [refer note (i) below]	22,704.35	-
Omnipresent Retail India Private Limited : 56,546,569 equity shares (31st March 2019: 45,296,569 equity shares) of ₹10 each, fully paid up	6,568.58	5,443.58
Others : (at FVTOCI)		
Retailer's Association of India: 10,000 equity shares (31st March 2019: 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 : 1307.196 units (31st March 2019: 1,104.696 units) of face value ₹100,000 each	2,343.14	1,275.21
	31,617.07	**6,719.79**

(i) On 4th July 2019, the Company has acquired 445,830,000 fully paid-up equity shares of ₹10 each, consisting 100% shareholding stake of Natures Basket Limited from Godrej Industries Limited, at an enterprise value of ₹30,000.00 lakhs settled through cash and takeover of outstanding debts. Consequent to this acquisition, Natures Basket Limited has become as a wholly owned subsidiary of the Company. Post-acquisition, during the year, the Company has further infused ₹4,675.00 lakhs as equity investment in Natures Basket Limited.

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

6. Investments *(continued)*

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Current		
Quoted		
Investment in mutual fund (at FVTPL)		
IDFC Ultra Short Term Fund - Direct Plan - Growth: Nil units (31st March 2019: 9,272,911.634 Units of ₹10.605 each)	**-**	**983.39**
	-	983.39
Aggregate book value of quoted investment	-	983.39
Aggregate market value of quoted investments	-	983.39
Aggregate value of unquoted investments	31,617.07	6,719.79

7. Trade receivables

(Unsecured)

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
- Considered good	6,119.42	4,567.77
- Significant increase in credit risk	1,122.81	175.74
	7,242.23	4,743.51
Impairment allowance:		
- Significant increase in credit risk	(1,122.81)	(175.74)
	6,119.42	**4,567.77**

Refer note 37 for receivables from related parties.

8. Cash and cash equivalents

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Balance with banks in current accounts	5,318.40	1,360.80
Balance with credit card, e-wallet companies and others	289.71	777.31
Cash on hand	355.10	664.41
	5,963.21	**2,802.52**

9. Bank balances other than Cash and cash equivalents above

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Deposits with original maturity of more than 3 months and less than 12 months	-	19,101.32
	-	**19,101.32**

10. Loans

(Unsecured)

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Security Deposits		
- Considered good	4,418.46	3,362.17
- Significant increase in credit risk	20.89	13.42
- Credit impaired	181.79	131.99
	4,621.14	3,507.58
Impairment allowance:		
- Significant increase in credit risk	(20.89)	(13.42)
- Credit impaired	(181.79)	(131.99)
	(202.68)	(145.41)
	4,418.46	**3,362.17**

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

11. Other financial assets

(Unsecured and considered good)

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
(i) Non-current		
Margin money deposit*	256.24	171.06
Interest accrued on bank deposits	2.32	2.79
Advances to employees	-	1.13
	258.56	**174.98**
(ii) Current		
Interest accrued on bank deposits	0.33	17.33
Advances to employees	74.63	39.83
Other receivables	39.70	84.14
	114.66	**141.30**

* Margin money deposit of ₹256.24 Lakhs (31st March 2019: ₹171.06 Lakhs) are encumbered with banks against bank guarantees.

12. Other assets

(Unsecured and considered good)

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
(i) Non-current		
Capital advances	158.67	39.48
Advances other than capital advances:		
Prepaid expenses	-	2,032.24
Deposits for claims and tax disputes	34.74	34.72
	193.41	**2,106.44**
(ii) Current		
Advances for goods and services	661.33	650.30
Prepaid expenses	561.71	1,066.39
Balance with Statutory / Government authorities	541.89	758.75
	1,764.93	**2,475.44**

13. Equity share capital

	As at 31st March 2020		As at 31st March 2019	
	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	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**

* 0.01% non-cumulative non-convertible redeemable preference shares of ₹100 each issued are classified as financial liability [refer note 16(i)].

Note : With approval of the Board of Directors on 11th February 2020, to issue further shares on Rights basis for an amount aggregating upto ₹8,000.00 Lakhs to existing eligible equity shareholders, the Company had filed Draft Letter of Offer ("DLOF") dated 12th May 2020 with Securities and Exchange Board of India (SEBI) and with the concerned stock exchanges.

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

13. Equity share capital *(continued)*

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year:

	As at 31st March 2020		As at 31st March 2019	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Equity shares				
At the beginning of the year	7,95,34,226	3,976.71	-	-
Equity shares issued pursuant to the Scheme [refer note 41,2.2(q),note (i) below]	-	-	7,95,34,226	3,976.71
At the end of the year	**7,95,34,226**	**3,976.71**	**7,95,34,226**	**3,976.71**

Note :

(i) 79,534,226 equity shares of ₹5 each amounting to ₹3,976.71 Lakhs is the equity share capital of the Company effective from 1st October 2017 pursuant to scheme of arrangement approved by the NCLT (National Company Law Tribunal). The aforesaid shares were pending allotment as on 31st March 2018. On 14th November 2018, the equity shares were issued and since transferred to equity share capital.

(b) Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a par value of ₹5 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Particulars of shareholders holding more than 5% shares of fully paid up equity shares:

	As at 31st March 2020		As at 31st March 2019	
	No. of shares	%	No. of shares	%
Rainbow Investments Limited	3,80,32,979	47.82%	3,80,32,979	47.82%

(d) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	As at 31st March 2020	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
Equity shares of ₹5 each allotted as fully paid-up pursuant to the Scheme [refer note 41 & 2.2 (q)]	7,95,34,226	7,95,34,226	-	-
Preference shares of ₹100 each allotted as fully paid-up pursuant to the Scheme [refer note 41 & 2.2 (q)]	5,00,000	5,00,000	-	-

Note: As the Company was incorporated on 8th February 2017, disclosure of number of shares issued for consideration other than cash for the year ended 31st March 2016 is not applicable and hence not disclosed.

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

14. Other equity

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
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**
Retained earnings		
Balance as at beginning of the year	(292.15)	(942.92)
Adjustment on account of adoption of Ind AS 116 Leases [(Refer Note 2.1(b) & Note 31]	(14,281.05)	-
Balance as at beginning of the year after adjustment	(14,573.20)	(942.92)
Profit / (loss) for the year	(5,701.91)	794.20
Remeasurement of defined benefit plans	(141.80)	(143.43)
Balance as at end of the year (b)	**(20,416.91)**	**(292.15)**
Total Other Equity (a) + (b)	**35,548.32**	**55,673.08**

Note :

(a) **Capital Reserves (refer note 41)**

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 which has been made effective from 1st October 2017, being appointed date, as approved by Hon'ble National Company Law Tribunal (NCLT).

(b) **Retained earnings**

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 case where it is having positive balance representing net earnings till date.

15. Borrowings

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Non- Current Borrowings		
(Secured)		
Term Loan from Bank	3,000.00	-
Less : Current maturities of long term debts transferred to other financial liabilities	666.80	-
	2,333.20	**-**

1. **Security & other terms**

a) Term loan from Bank is secured by first Pari Passu charge by way of mortgage 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 month from the date of disbursement in 18 equal quarterly installment of ₹166.67 lakhs each.

b) Term loan carries interest @ 6 Month MCLR (Marginal Cost of Funds based Lending Rate) plus 0.10% p.a. i.e. 9.50% p.a. at the year end.

₹ in Lakhs

c) Maturity profile of non current borrowings outstanding as at year end	As at 31st March 2020	As at 31st March 2019
Payable within 1 year	666.80	-
Payable between 1 to 3 years	1,166.90	-
Payable between 3 to 5 years	1,166.30	-

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

15. Borrowings *(continued)*

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Current Borrowings		
Working Capital Loan from Bank (secured)	4,000.00	-
Invoice financing facility from Bank (unsecured)	2,856.26	-
	6,856.26	**-**

Working Capital Loan from Bank

a) Working Capital loan from Bank is secured by first part passu charge by way of hypothecation over entire current assets of the Company and Second part passu charge by way of Hypothecation over moveable fixed assets of the company.

b) Working Capital loan carries interest @ 6 Month MCLR plus 0.10% p.a. i.e. 9.50% p.a. at the year end payable at monthly rest. It is payable on demand.

c) Invoice financing facility carries interest at MCLR plus applicable margin (i.e. 9.95% p.a. at the year end) Loan is payable in maximum period of 90 days.

16. Other financial liabilities

(i) **Non Current**

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Non-cumulative non-convertible redeemable preference shares		
0.01% non-cumulative non-convertible redeemable preference shares of ₹100 each: 500,000 shares (31st March 2019 : 500,000 shares) issued pursuant to the Scheme (refer note 41)	94.43	85.47
	94.43	**85.47**

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**

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Current maturities of long term borrowings (refer note 15)	666.80	-
Interest accrued but not due on borrowings	49.32	-
Sundry deposits	415.69	369.64
Liability for capital goods	411.67	781.51
Payable to employees	1,349.09	959.58
Others	1.34	-
	2,893.91	**2,110.73**

17. Contract liabilities

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Advances from customers	644.88	393.59
	644.88	**393.59**

Note : The Company expects to recognise the above amount as revenue within next year.

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

18. Trade payables

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Total outstanding dues of micro enterprises and small enterprises (refer note 32)	136.43	67.50
Total outstanding dues of creditors other than micro enterprises and small enterprises	30,880.22	31,177.02
	31,016.65	**31,244.52**

Refer note 37 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.

19. Other current liabilities

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Other liabilities [Refer note 6(i)]	591.31	-
Statutory dues	831.40	452.83
Others	234.75	-
	1,657.46	**452.83**

20. Provisions

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Non-current		
Provisions for employee benefits :		
Provision for gratuity (refer note 36)	341.59	278.48
Provision for compensated absences	297.20	237.23
	638.79	515.71
Other provisions :		
Provision for decommissioning liability [refer note (a) below]	336.91	300.45
	975.70	**816.16**
Current		
Provisions for employee benefits :		
Provision for gratuity (refer note 36)	7.75	40.32
Provision for compensated absences	4.45	18.01
	12.20	58.33
Other provisions :		
Provision for tax disputes [refer note (b) below]	64.03	179.73
Provision for claims on leased properties [net off amount deposited - refer note (c) below]	1,183.05	1,183.05
	1,247.08	1,362.78
	1,259.28	**1,421.11**

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

20. 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 :

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Opening balance	**300.45**	**246.83**
Provision created during the year	10.92	30.72
Unwinding of interest during the year	25.54	22.90
Closing balance	**336.91**	**300.45**

(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.

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Opening balance	**179.73**	**293.53**
Provision created / (reversed) during the year	27.04	(0.54)
Paid during the year	(142.74)	(113.26)
Closing balance *	**64.03**	**179.73**

* Net of deposits as at 31st March 2020 ₹64.41 Lakhs (31st March 2019: ₹51.09 Lakhs) made under appeal.

(c) Retailers Association of India (RAI) of which the Company is a member, has filed Special Leave Petition before the Hon'ble Supreme Court of India, about the applicability of service tax on commercial rent on immovable property. Pending disposal of the case, the Supreme Court has passed an interim ruling in October 2011 directing the members of RAI to pay 50% of total service tax liability up to September 2011 to the department and to furnish a surety for balance 50%. The Supreme Court has also clarified that the successful party in the appeal shall be entitled to interest on the amount stayed by the Court, at such rate as may be directed at the time of the final disposal of appeal. Accordingly the Company has already deposited ₹460.00 Lakhs and furnished a surety for ₹460.00 Lakhs towards the balance service tax liability, while interest, whose quantum and applicability is presently not ascertainable, will be provided on the disposal of the petition, if required.

Further, the Company has also been making provision for service tax on rent from October 2011 onwards, the balance whereof as on 31st March 2020 is ₹1,183.05 Lakhs (31st March 2019: ₹1,183.05 Lakhs).

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Opening balance	**1,183.05**	**1,172.42**
Provision created/(reversed) during the year	-	46.78
Provision paid during the year	-	(36.15)
Closing balance	**1,183.05**	**1,183.05**

21. Revenue from operations

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Revenue from contract with customers		
Sale of goods	2,46,324.51	2,28,068.35
Sale of concessionaire products	3,861.91	3,844.13
Total	2,50,186.42	2,31,912.48
Less: Goods & Service Tax	(22,121.70)	(21,054.26)
Less: Cost of goods sold for concessionaire products	(2,974.48)	(2,955.17)
	2,25,090.24	2,07,903.05

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

21. Revenue from operations *(continued)*

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Other operating revenue		
- Display income	7,501.00	6,778.11
- Others	4,737.70	4,037.42
Total revenue from contract with customers	**2,37,328.94**	**2,18,718.58**

22. Other income

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest income		
- Bank deposits	372.11	1,579.47
- Security deposits	270.53	235.25
- Others	6.96	9.80
Gain on sale of investments	411.86	100.92
Fair value gain on investments measured at FVTPL	879.75	247.04
Net gain on sale of property, plant and equipment	40.84	27.28
Reversal of net liability on termination of lease	395.80	-
Miscellaneous income *	577.07	579.16
	2,954.92	**2,778.92**

* includes provision / liabilities no longer required written back.

23. Cost of raw materials consumed

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Inventories at the beginning of the year	78.01	79.29
Purchases during the year	629.38	685.79
	707.39	765.08
Less: Inventories at the end of the year	86.62	78.01
	620.77	**687.07**

24. Changes in inventories of finished goods and stock-in-trade

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Inventories at the beginning of the year	26,603.93	23,898.12
Less: Inventories at the end of the year	22,680.36	26,603.93
	3,923.57	**(2,705.81)**

25. Employee benefits expense

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Salaries, wages and bonus	14,469.09	12,806.98
Gratuity defined benefit plan [refer note 36]	101.43	62.88
Contribution to provident and other funds	926.56	757.81
Staff welfare expenses	559.88	580.47
	16,056.96	**14,208.14**

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

26. Other expenses

₹ in Lakhs

	For the year ended 31st March 2020		For the year ended 31st March 2019	
Power and fuel		4,870.49		4,333.67
Freight		297.79		214.62
Rent [refer note 2.1(b) and 31]		2,513.13		11,033.48
Repairs and maintenance				
- Buildings		382.89		371.97
- Others		3,054.74		2,679.50
Insurance		102.62		70.23
Rates and taxes		855.79		523.57
Advertisement and selling expenses		4,125.20		3,436.25
Packing materials consumed		702.01		559.02
Travelling and conveyance		459.18		380.47
Payment to auditors				
As auditor				
- Audit fees	65.00		8.00	
- Tax audit fees	10.00		2.00	
- Limited Review	9.00		-	
- Reimbursement of expenses	0.42	84.42	-	10.00
Communication expenses		210.51		211.60
Printing and stationery		265.39		292.30
Legal and consultancy expenses		758.88		461.50
Housekeeping expenses		3,450.49		3,167.30
Security expenses		2,026.87		1,679.54
Provision for doubtful store lease deposits		49.79		-
Provision for bad & doubtful debts		947.06		94.24
Miscellaneous expenses		975.06		1,332.04
		26,132.31		**30,851.30**

27. Depreciation and amortisation

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Depreciation of property, plant and equipment (refer note 3)	3,438.83	2,247.65
Depreciation on right-of-use assets (refer note 31)	6,863.29	-
Amortisation of intangible assets (refer note 4)	194.06	207.21
	10,496.18	**2,454.86**

28. Finance costs

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest expense		
- Borrowings	799.35	-
- Lease liabilities	4,601.05	-
- Non-cumulative non-convertible redeemable preference shares	8.96	7.43
- Unwinding of decommissioning liability	25.54	22.90
- Others	30.60	14.49
Other costs	621.59	699.83
	6,087.09	**744.65**

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

29. Earning per share (EPS)

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

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Profit / (loss) for the year (₹ in Lakhs)	(5,701.91)	794.20
Weighted average number of equity shares	7,95,34,226	7,95,34,226
Earnings per share – basic and diluted (face value of ₹5 each)	(7.17)	1.00

Note : For the year ended 31 March 2019, 79,534,226 equity shares issued on 14th November 2018 pursuant to the composite Scheme of Arrangement effective from 1st October 2017, being appointed date, approved by Hon'ble National Company Law Tribunal (NCLT) has been considered as outstanding for the entire year for the purpose of Basic and diluted earnings per share.

30. Commitments and contingencies

(a) Contingent liabilities

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Contingent liabilities not provided for in respect of:		
(i) Sales Tax / Value Added Tax (VAT) demands under appeal	1,085.79	1,027.87
(ii) Service Tax demands under appeal	-	553.89
(iii) Claims against the Company not acknowledged as debt	4,700.14	4,612.40

There are numerous interpretative issues relating to the Supreme Court judgment dated 28th February 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. As a matter of caution, the Company has made a provision on a prospective basis from the date of the judgment. The Company is evaluating and seeking inputs regarding various interpretative issues and its impact.

(b) Commitments

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
(i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	555.34	129.04
(ii) For Investments - Others	172.50	375.00

(c) Operating lease commitments as per Ind AS 17 effective upto 31st March 2019 (Company as Lessee)

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

₹ in Lakhs

	For the year ended 31st March 2019
Lease expenses for the year	11,033.48

₹ in Lakhs

	As at 31st March 2019
Future minimum lease payments:	
(i) Within 12 months	8,752.77
(ii) Between 2 to 5 years	34,859.62
(iii) Beyond 5 years	71,112.75

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

31. Ind AS - 116 Leases

Refer note 2.1(b) for approach followed by the Company for transition to Ind AS 116 and note 2.2(o) for accounting policy for leases.

The effect of adoption Ind AS 116 as at 1 April 2019 (increase/(decrease)) is, as follows:

₹ in Lakhs

	As at 1st April 2019
Assets	
Right-of-use assets [refer note (ii) below]	38,926.24
Other Asset - Non Current [refer note (i) below]	(2,032.24)
Other Asset - Current [refer note (i) below]	(275.00)
Total Assets	**36,619.00**
Liabilities	
Lease Liabilities	50,900.05
Total Liabilities	**50,900.05**
Total Adjustment on equity - Retained Earnings	**(14,281.05)**

(i) Represents ₹2,032.24 Lakhs and ₹275.00 Lakhs on account of prepaid expenses on fair valuation of security deposits.

(ii) Right-of-use assets ₹38,926.24 Lakhs includes prepaid expenses on fair valuation of security deposits.

The movement in right-of-use ("ROU") assets and lease liabilities are as below :

Right-of-use Assets: **Buildings**

Particulars	₹ in Lakhs
Balance as of 1st April 2019 *	38,926.24
Additions	11,370.93
Deletions	(2,457.69)
Depreciation	(6,863.29)
Balance as of 31st March 2020	**40,976.19**

*Includes ₹2,032.24 Lakhs and ₹275.00 Lakhs on account of prepaid expenses on fair valuation of security deposits, re-classed from Other Non-Current Assets and Other Current Assets respectively.

The aggregate depreciation on right-of-use assets is included under depreciation and amortization expenses in the statement of profit and loss [refer note 27].

Lease Liabilities:

Particulars	₹ in Lakhs
Balance as of 1st April 2019	50,900.05
Additions	10,979.10
Interest expenses incurred for the year	4,601.05
Deletions	(2,394.06)
Payment of lease liabilities*	(9,558.54)
Balance as of 31st March 2020	**54,527.60**

* Includes ₹4,601.05 Lakhs on account of interest expenses.

The aggregate interest incurred on lease liabilities is included under finance cost in the statement of profit and loss [refer note 28].

The following is the break-up of current and non-current lease liabilities as at 31st March 2020

Particulars	₹ in Lakhs
Current lease liabilities	6,801.80
Non-current lease liabilities	47,725.80
Total	**54,527.60**

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

31. Ind AS - 116 Leases *(continued)*

The table below provides details regarding the contractual maturities of lease liabilities as at 31st March, 2020 on an undiscounted basis:

Particulars	₹ in Lakhs
Less than one year	11,095.48
One to five years	35,958.42
More than five years	32,556.28
Total	**79,610.18**

The lessee's weighted average incremental borrowing rate applied to lease liabilities at the date of initial application is 8.81% p.a.

Rent paid (excluding taxes) during the year ended 31st March 2020 amounts to ₹11,506.99 Lakhs

Rental expenses (excluding taxes) recorded for short term leases during the year ended amounts to 31st March 2020 ₹528.66 Lakhs

Rental expenses (excluding taxes) recorded for variable leases for the year ended 31st March 2020 amounts to ₹1,532.30 Lakhs

The difference between the lease obligation recorded as of 31st March 2019 under Ind AS 17 disclosed under Note 30 (c) and the value of the lease liability as of 1st April 2019 is primarily on account of management's estimate of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116. The lease term considered is as per management's judgment and estimate in relation to cancellable lease agreement.

32. Information relating to Micro, Small and Medium Enterprises (MSME):

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
(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	129.37	65.97
Interest	3.22	0.25
(ii) The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to suppliers beyond the appointed day during the year		
Principal	-	-
Interest	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006		
Principal	486.34	58.07
Interest	10.06	1.28
(iv) The amount of interest accrued and remaining unpaid at the end of the year being interest outstanding as at the beginning of the accounting year.	1.53	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when interest dues above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	14.81	1.53

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

33. Contract balances under Ind AS 115

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Trade receivables	6,119.42	4,567.77
Contract liabilities	644.88	393.59

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.

34. Deferred tax assets/(liabilities) (net)

(a) Deferred tax relating to assets and liabilities:

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
-Deferred tax liabilities		
Property, plant and equipment and intangible assets	(33.60)	(76.08)
Fair value gain on investment	(339.99)	(90.13)
Right-of-use assets	(14,318.72)	-
Total	**(14,692.31)**	**(166.21)**
-Deferred tax assets		
Carry forward business losses/unabsorbed depreciation	36,355.52	40,134.51
Disallowance under Tax Laws	277.23	307.59
Lease Liabilities	18,798.67	-
MAT (Minimum Alternative Tax) credit entitlement	141.34	141.34
Others	782.91	259.45
Total	**56,355.67**	**40,842.89**
-Deferred tax assets (net)	**41,663.36**	**40,676.68**
-Unrecognised Deferred tax assets (net)*	**41,663.36**	**40,676.68**
-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.

(b) Tax expenses recognized in the Statement of Profit & Loss

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Current Tax:		
Current Tax on taxable income for the year	-	178.52
Deferred tax	**-**	**-**
Total income tax expense	**-**	**178.52**

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

34. Deferred tax assets/(liabilities) (net) *(continued)*

(c) The reconciliation of tax expense and the accounting profit multiplied by India's tax rate

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Profit / (loss) before tax	(5,701.91)	972.72
Tax rate applicable to the Company	34.94%	34.94%
Tax amount computed using applicable tax rate	(1,992.47)	339.91
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Expenses Disallowed under Income Tax Laws	6.84	0.80
MAT Credit Entitlement not recognised as deferred tax assets	-	141.34
Deferred Tax assets not recognised	1,985.63	-
Unrecognised deferred tax assets used to reduce tax expense	-	(303.52)
Total income tax expense	-	178.52
Effective Tax rate	0.00%	18.35%

(d) Tax Losses Expiry

The following table summarises the expiry dates of the carried forward tax losses as at 31st March 2020:

₹ in Lakhs

Sl. No	Financial Year	Business Loss Expiry Year	Business Loss	Unabsorbed depreciation	Total
1	2001-02	-	-	325.32	325.32
2	2002-03	-	-	253.23	253.23
3	2003-04	-	-	368.30	368.30
4	2004-05	-	-	558.10	558.10
5	2005-06	-	-	549.85	549.85
6	2006-07	-	-	1,436.69	1,436.69
7	2007-08	-	-	5,002.34	5,002.34
8	2008-09	-	-	6,302.21	6,302.21
9	2009-10	-	-	5,194.14	5,194.14
10	2010-11	-	-	4,550.67	4,550.67
11	2011-12	-	-	4,332.93	4,332.93
12	2012-13	2020-21	11,380.62	3,800.99	15,181.61
13	2013-14	2021-22	10,351.46	3,839.42	14,190.88
14	2014-15	2022-23	10,723.65	3,855.45	14,579.10
15	2015-16	2023-24	9,838.44	3,739.03	13,577.47
16	2016-17	2024-25	6,705.84	3,584.70	10,290.54
17	2017-18	2025-26	-	1,903.21	1,903.21
18	2018-19	2026-27	-	1,002.66	1,002.66
19	2019-20	2027-28	954.11	3,486.01	4,440.12
			49,954.12	**54,085.25**	**1,04,039.37**

Note :

- 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.
- 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 Rs. 141.34 lakhs is 14 years (31st March 2019: 15 years)

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

35. 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.

36. 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 :

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
(a) Reconciliation of present value of defined benefit obligations		
Balance at the beginning of the year	400.83	396.32
Current service cost	101.43	62.88
Interest cost	22.80	18.18
Benefits paid	(120.00)	(320.41)
Actuarial (gain) / loss on defined benefit obligations	88.94	243.86
Balance at the end of the year	**494.00**	**400.83**
(b) Reconciliation of fair value of plan assets		
Balance at the beginning of the year	82.03	72.12
Interest income	5.49	5.55
Contributions by employer	230.00	261.52
Benefits paid	(120.00)	(320.41)
Actuarial gains / (losses)	(52.86)	63.25
Balance at the end of the year	**144.66**	**82.03**
(c) Net defined benefit liabilities / (assets)		
Present value of defined benefit obligations	494.00	400.83
Fair value of plan assets	(144.66)	(82.03)
Net defined benefit liabilities / (assets) [refer note 20]	**349.34**	**318.80**
(d) Expense recognised in statement of Profit or Loss		
Current service cost	101.43	62.88
Interest cost	22.80	18.18
Interest income	(5.49)	(5.55)
	118.74	**75.51**
(e) Remeasurement recognised in Other Comprehensive Income		
Actuarial (gain) / loss on defined benefit obligations	88.94	243.86
Actuarial (gain) / loss on plan assets	52.86	(63.25)
	141.80	**180.61**

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

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Investments with insurer	100%	100%

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

36. Assets and Liabilities relating to employee defined benefits *(continued)*

(g) Actuarial assumptions

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Discount rate	6.69%	7.70%
Expected rate of return on assets	6.69%	7.70%
Future compensation growth	4.60%	4.60%
Average expected future service	24 years	23 years
Employee turnover	Ranging grade wise from 16% to 67%	Ranging grade wise from 12% to 67%

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2006-08 - ultimate).

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

(i) The Company expects to contribute ₹8.02 Lakhs (31st March 2019: ₹41.85 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:

₹ in Lakhs

Change in rate	As at 31st March 2020		As at 31st March 2019	
	Increase	Decrease	Increase	Decrease
(i) Discount rate (0.5% movement)	(33.93)	37.37	(21.04)	22.88
(ii) Future salary (0.5% movement)	35.96	(32.85)	23.10	(21.39)
(iii) Mortality (10% movement)	4.08	(4.07)	0.69	(0.67)
(iv) Attrition rate (0.5% movement)	1.08	(1.07)	1.85	(1.85)

(k) Estimated future payments of undiscounted gratuity is as follows :

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Within 12 months	8.02	41.85
Between 2 to 5 years	55.46	85.44
Between 6 to 10 years	160.29	183.66
Beyond 10 years	1,313.21	799.39
Total	**1,536.98**	**1,110.34**

36.1 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 ₹695.54 Lakhs (31st March 2019: ₹454.27 Lakhs) in the statement of profit and loss.

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

37. Related party disclosure

(i) Subsidiaries

1) Omnipresent Retail India Private Limited
2) Natures Basket Limited (w.e.f. 4th July 2019)

(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 Cafe India Limited
2) Bowlopedia Restaurants India Limited
3) CESC Limited
4) First Source Solutions Limited
5) Guiltfree Industries Limited
6) Kolkata Games and Sports Private Limited
7) Integrated Coal mining Limited
8) Accurate Commodeal Private Limited
9) Open Media Network Private Limited
10) Phillips Carbon Black Limited
11) Quest Properties India Limited
12) RPG Power Trading Co. Limited
13) Saregama India Limited
14) Duncan Brothers & Co. Limited
15) Haldia Energy Limited
16) Great Wholesale Club Limited - Gratuity Fund

(iv) Key Managerial Personnel

1) Sanjiv Goenka - Non-Executive Director and Chairman (w.e.f. 14th November 2018)
2) Shashwat Goenka - Non-Executive Director (w.e.f. 14th November 2018)
3) Utsav Parekh - Independent Director (w.e.f. 14th November 2018)
4) Pratip Chadhuri - Independent Director (w.e.f. 14th November 2018)
5) Rekha Sethi - Independent Director (w.e.f. 14th November 2018)
6) Debanjan Mandal - Independent Director (w.e.f. 11th February, 2019)
7) Sunil Bhandari - Director (upto 14th November 2018)
8) Gautam Ray - Director (upto 14th November 2018)
9) Rajarshi Banerjee - Director (upto 27th November 2018)
10) Devendra Chawla - Chief Executive Officer & Managing Director (w.e.f. 11th February, 2019)
11) Rahul Nayak - Whole-time Director (w.e.f. 14th November 2018)
12) Kumar Tanmay - Chief Financial Officer (w.e.f. 14th August 2019)
13) Arvind Kumar Vats - Chief Financial Officer (w.e.f. 14th November 2018 upto 1st July 2019)
14) Rama Kant - Company Secretary (w.e.f. 11th February, 2019)
15) Navin Kumar Rathi - Company Secretary (from 14th November 2018 upto 10th February 2019)

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

₹ in Lakhs

Particulars	Subsidiaries		Entities under common control		Key Managerial Personnel	
	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2019	For the year ended 31st March 2019
Transactions :						
Investment in subsidiaries	5,800.00	625.00	-	-	-	-
Sale of goods	-	1.04	417.18	110.36	-	-
Purchases of stock-in-trade	208.12	-	361.68	288.38	-	-
Interest Received	6.96	-	-	-	-	-
Rendering of services	-	-	1,447.22	801.59	-	-
Contribution for Gratuity fund	-	-	230.00	261.52	-	-
Commission Paid	172.20	552.15	-	-	-	-
Receiving of services	1.77	-	14.58	-	-	-
Remittance of collection	-	-	22.45	-	-	-
Royalty Paid	1.69	-	-	-	-	-
Inter Company Deposits Given	3,600.00	-	-	-	-	-

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

37. Related party disclosure *(continued)*

₹ in Lakhs

Particulars	Subsidiaries		Entities under common control		Key Managerial Personnel	
	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2019	For the year ended 31st March 2019
Inter Company Deposits Taken Back	3,600.00	-	-	-	-	-
Electricity expenses	-	-	208.19	170.14	-	-
Recovery of expenses incurred	-	-	29.79	458.88	-	-
Rent expenses	6.75	-	850.44	677.29	-	-
Reimbursement	0.28	0.50				
Security deposits paid	-	-	4.59	1.82	-	-
Security deposits received	-	-	-	1.93		-
Short term employee benefits	-	-	-	-	799.45	143.46
Retirement benefits	-	-	-	-	30.31	14.35
Reimbursement of expenses	-	-	-	-	32.86	6.86
Sitting fees to directors	-	-	-	-	49.00	8.00

₹ in Lakhs

Particulars	Subsidiaries		Entities under common control		Key Managerial Personnel	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Balances outstanding :						
Receivable against sale of goods	-	-	186.84	3.13	-	-
Payable for purchases of stock-in-trade	132.82	-	79.30	42.68	-	-
Receivable against reimbursement	-	-	29.79	46.51	-	-
Payable for commission expenses	37.16	90.78	-	-	-	-
Payable for royalty expenses	1.69	-	-	-	-	-
Payable for rental expenses	6.75	-	38.93	-	-	-
Payable for services received	-	-	60.58	163.86	-	-
Payable for Remittance of collection	-	-	22.45	-	-	-
Receivable for services rendered	-	-	-	288.51	-	-
Interest receivables	6.96	-	-	-	-	-
Security deposit receivable	-	-	136.83	134.05	-	-
Security deposit payable	-	-	47.68	62.91	-	-

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.

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

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 31st March 2020				As at 31st March 2019			
	At Cost/ Amortised Cost	FVTPL	FVTOCI	Total	At Cost/ Amortised Cost	FVTPL	FVTOCI	Total
Financial assets								
Investments								
- Equity shares (unquoted)	-	-	29,273.93	**29,273.93**	-		5,444.58	**5,444.58**
- Alternative Investment Fund	-	2,343.14	-	**2,343.14**	-	1,275.21	-	**1,275.21**
- Mutual fund	-	-	-	**-**	-	983.39	-	**983.39**
Trade receivables	6,119.42	-	-	**6,119.42**	4,567.77	-	-	**4,567.77**
Cash and cash equivalents	5,963.21	-	-	**5,963.21**	2,802.52	-	-	**2,802.52**
Bank balances other than cash & cash equivalent	-	-	-	**-**	19,101.32	-	-	**19,101.32**
Loans	4,418.46	-	-	**4,418.46**	3,362.17	-	-	**3,362.17**
Other financial assets	373.22		-	**373.22**	316.28		-	**316.28**
Total financial assets	**16,874.31**	**2,343.14**	**29,273.93**	**48,491.38**	**30,150.06**	**2,258.60**	**5,444.58**	**37,853.24**
Financial liabilities								
Preference shares	94.43	-	-	**94.43**	85.47	-	-	**85.47**
Borrowings*	9,856.26	-	-	**9,856.26**	-	-	-	**-**
Trade payables	31,016.65	-	-	**31,016.65**	31,244.52	-	-	**31,244.52**
Other financial liabilities	2,227.11	-	-	**2,227.11**	2,110.73	-	-	**2,110.73**
Total financial liabilities	**43,194.45**	**-**	**-**	**43,194.45**	**33,440.72**	**-**	**-**	**33,440.72**

* Includes current maturities of long term borrowings

(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 mutual funds and alternative investment fund, the fair values represent net asset value as stated by the respective issuers 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 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 funds are carried out at such prices between investors and the issuers of these units.

(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 loans (assets) are based on discounted cash flow using an incremental borrowing rate.

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

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 31st March 2020				As at 31st March 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments								
- Equity shares (unquoted)		-	29,273.93	**29,273.93**	-	-	5,444.58	**5,444.58**
- Alternative Investment Fund	-	-	2,343.14	**2,343.14**	-	-	1,275.21	**1,275.21**
- Mutual fund	-	-	-	-	983.39	-	-	**983.39**
	-	**-**	**31,617.07**	**31,617.07**	**983.39**	**-**	**6,719.79**	**7,703.18**

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 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. This is the case for unlisted equity securities included in Level 3.

(d) Reconciliation of fair value measurement of investments (categorised as level 3 above) classified as FVTPL/FVTOCI asset :

₹ in Lakhs

	FVTOCI Equity shares (unquoted)	FVTPL Alternative Investment Fund
As at 31st March 2018	**4,819.58**	**684.16**
Invested during the year	625.00	375.00
Proceeds during the year	-	(29.06)
Fair Value Gain/(loss) recognised in statement of Profit and Loss	-	245.11
As at 31st March 2019	**5,444.58**	**1,275.21**
Invested during the year	23,829.35	202.50
Proceeds during the year	-	(14.32)
Fair Value Gain/(loss) recognised in statement of Profit and Loss	-	879.75
As at 31st March 2020	**29,273.93**	**2,343.14**

(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, loans, investments and cash & cash equivalents that derive directly from its operations.

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

38. Financial instruments - fair value measurements and risk management *(continued)*

The Company's primary risk management focus is to minimise potential adverse effects of these risks by managing them through a structured process of identification, assessment and prioritisation of risks followed by co-ordinated efforts to monitor, minimize and mitigate the impact of such risks on its financial performance and capital. For this purpose, the Company has laid comprehensive risk assessment and minimisation/mitigation procedures, which are reviewed by the Audit Committee and approved by the Board from time to time. These procedures are reviewed regularly to reflect changes in market conditions and to ensure that risks are controlled by way of properly defined framework.

(i) Credit risk

Credit risk is the risk 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 institution. An impairment analysis is performed at each reporting date on the basis of sales channel. In addition, a large number of minor receivables are Companyed into homogeneous Companys 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, capital raised through rights issue, 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	Carrying value	Contractual cash flows			
		Within 1 year	1 to 5 years	More than 5 years	Total
As at 31st March 2020					
Preference shares	94.43	-	-	500.00	500.00
Borrowings	9,856.26	7,523.06	2,333.20	-	9,856.26
Trade payables	31,016.65	31,016.65	-	-	31,016.65
Lease liabilities	54,527.60	11,095.48	35,958.42	32,556.28	79,610.18
Other financial liabilities	2,227.11	2,227.11	-	-	2,227.11
	97,722.05	**51,862.30**	**38,291.62**	**33,056.28**	**1,23,210.20**
As at 31st March 2019					
Preference shares	85.47	-	-	500.00	500.00
Trade payables	31,244.52	31,244.52	-	-	31,244.52
Other financial liabilities	2,110.73	2,110.73	-	-	2,110.73
	33,440.72	**33,355.25**	**-**	**500.00**	**33,855.25**

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

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 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 to primarily to company's borrowing with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Exposure to interest rate risk

₹ in Lakhs

Particulars	As at 31st March 2020	As at 31st March 2019
Borrowings bearing variable rate of interest	9856.26	-

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 31st March 2020	As at 31st March 2019
50 bp increase- decrease in profits	(49.28)	-
50 bp increase- increase in profits	49.28	-

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, and there has been no breach of any loan covenants.

40. Going Concern

The Company has incurred a net loss after tax of ₹5,843.71 Lakhs for the year ended 31st March 2020 and its current liabilities, including current borrowings, exceeds current assets by ₹14,104.99 Lakhs. The Company is in the process of raising additional capital of ₹8,000.00 Lakhs through issue of equity shares on a rights basis. In addition to this, the Company has access to unutilised credit lines with its bankers and also additional capital from its promoters, if and when required. Further, the company has been expanding its operations in its existing territory with increase in trading area, adding new private brand to its portfolio, building growth towards the non-food segments (including the own branded apparel) which has started showing growth. Apart from organic growth, the Company has also achieved in-organic growth through acquisitions, in order to increase 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

Notes to Standalone Ind AS financial statements as at and for the year ended 31st March 2020

40. Going Concern *(continued)*

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. The Company, in the financial statements for the year ended 31st March 2018, had given effect to the composite scheme of arrangement approved by Hon'ble National Company Law Tribunal (NCLT) (the appropriate authority), as applicable to the Group from the Appointed Date of 1st October, 2017.

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

The composite Scheme of Arrangement amongst the Company, CESC Limited (CESC) and eight other companies, including Spencer's Retail Limited, and their respective shareholders has been made effective from 1st October, 2017 except for the demerger of the Generation Undertaking of CESC into Haldia Energy Limited (HEL), a wholly owned subsidiary of CESC ("the said Demerger"). However, the said Demerger proposal has been withdrawn with effect from 14 November 2019 and HEL continues to be a wholly-owned subsidiary of CESC.

42. Due to outbreak of COVID-19 globally and in India, the Company has made initial 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 an essential service as emphasized by the Government of India. With the lockdown in force in the country, the ability of customers to reach the Company's stores is limited, in response of which the Company has launched alternate means and platforms for its customers to place orders and purchase their requirements. The Company has responded to the requirements of business and 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's online business also has picked up significantly consequent to necessary technology upgradation. The Company has resumed normal operations from the first week of June 2020 for all verticals as permitted by the Government and Local/Regulatory authorities, with controlled movement, maintaining social distancing, taking appropriate hygiene measures and following the directions of regulatory authorities.

The Company has used the principle of prudence in applying judgments, estimates and assumptions. Based on the current assessment, the Company expects to majorly recover the carrying amount of trade receivables, investments and other financial assets and does not expects any impairment of intangibles. The actual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results.

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm registration number - 301003E/E300005

Kamal Agarwal
Partner
Membership number - 058652

Place : Kolkata
Date : 29th June 2020

For and on behalf of Board of Directors

Devendra Chawla
Chief Executive Officer and Managing Director
DIN: 03586196
Place : Gurugram

Shashwat Goenka
Director
DIN: 03486121
Place : Kolkata

Sanjiv Goenka
Chairman
DIN: 00074796
Place : Kolkata

Rahul Nayak
Whole-time Director
DIN: 06491536
Place : Mumbai
Date : 29th June 2020

Rama Kant
Company Secretary
Place : Kolkata

Kumar Tanmay
Chief Financial Officer
Place : Mumbai

CONSOLIDATED
FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Spencer's Retail Limited (formerly known as RP-SG Retail Limited) (hereinafter referred to as "the Holding Company") 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 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment Testing of Intangibles (as described in Note 4 of the consolidated Ind AS financial statements)	
The Group has acquired 100% stake in Natures Basket Limited (NBL). Consequently, the Group has recognised brand and goodwill in accordance with Ind AS 103: Business Combinations on the basis of fair valuation of assets and liabilities acquired. The Group also has an acquired brand as at March 31, 2020. 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.	Our audit procedures included, among others the following: • We read and assessed the Group's accounting policies with respect to impairment testing. • We obtained and reviewed the brand valuation and fair valuation reports produced by the Company's independent valuation specialist and also assessed the valuation specialist's objectivity and independence.

Key audit matters	How our audit addressed the key audit matter
For the assessment of acquired brand, the Group engages a valuer to determine the recoverable value of brand using the relief from royalty method of valuation. The Group has used the fair valuation for investment in subsidiary (NBL) for impairment testing of Brand (NBL) and Goodwill. For this assessment, such fair valuation is determined using discounted cash flow method of valuation. Both the valuation methods are highly 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. Accordingly, impairment testing for these intangibles is determined to be a key audit matter in our audit of the consolidated Ind AS financial statements.	• We evaluated the independent valuation specialist's methodology, assumptions and estimates used in the calculations. In performing these procedures, we also engaged valuation specialists. • We read and assessed the disclosures made in the consolidated Ind AS financial statements.
Adoption of Ind AS 116 "Leases" effective from April 1, 2019 (as described in Note 31 of the consolidated Ind AS financial statements)	
The Group has adopted Ind AS 116 "Leases" in the current year, which replaced the erstwhile Ind AS 17 "Leases", which resulted in changes to accounting policies. The Group has adopted Ind AS 116 effective April 1, 2019 and has not restated comparative information in accordance with transitional provisions of Ind AS 116. The application of the new standard resulted in recognition of right-of-use assets (ROU), decrease in pre-paid expenses, corresponding increase in lease liabilities and recognition of cumulative effect of initially applying the Standard as an adjustment to the opening balance of retained earnings. The measurement of ROU and lease liabilities are based on assumptions such as discount rates and lease terms, including termination and renewal options. Such assumptions are highly sensitive to changes in inputs and involves judgement due to inherent uncertainty in the assumptions used. Accordingly, adoption of Ind AS 116 "Leases" is determined to be a key audit matter in our audit of the consolidated Ind AS financial statements.	Our audit procedures included, among others the following: • We read and assessed the Group's accounting policy with respect to recognition of leases in accordance with Ind AS 116. • We obtained an understanding, evaluated the design and tested the operating effectiveness of key controls that the Group has in relation to accounting of leases under Ind AS 116. • We tested the completeness of the lease master and on a sample basis tested the accuracy of the underlying lease master by agreeing the underlying data pertaining to lease rentals, term, escalation and other relevant terms and conditions to lease agreements. • We also recomputed, on a sample basis, the calculation involved and tested the arithmetical accuracy of the data. • We assessed management's sensitivity analysis around the discount rate applied. • We read and assessed the disclosures made in the consolidated Ind AS 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 Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 Ind AS 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 Ind AS 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 Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 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 2 subsidiaries, whose Ind AS financial statements include total assets of ₹ 22,936.76 lakhs as at March 31, 2020, and total revenues of ₹ 27.020.54 lakhs and net cash inflows of ₹ 1,642.88 lakhs for the year ended on that date. These Ind AS 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 Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

(b) The consolidated Ind AS financial statements of the Company for the year ended March 31, 2019, included in these consolidated Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 17, 2019.

Our opinion above on the consolidated Ind AS 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.

Report on Other Legal and Regulatory Requirements

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 Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 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, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, incorporated in India, 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 subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company and 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 Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer Note 30(a) to the consolidated Ind AS financial statements;

ii. The Group 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 Holding Company and its subsidiaries, incorporated in India during the year ended March 31, 2020.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Kamal Agarwal
Partner
Membership Number: 058652
UDIN: 20058652AAAABW8679

Place of Signature: Kolkata
Date: June 29, 2020

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

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Spencer's Retail Limited (formerly known as RP-SG Retail Limited) as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Spencer's Retail Limited (formerly known as RP-SG Retail Limited) (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained 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 over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Financial Statements

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2020, 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.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, in so far as it relates to these 2 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such 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: 20058652AAAABW8679

Place of Signature: Kolkata
Date: June 29, 2020

Consolidated Ind AS Balance Sheet as at 31st March 2020

₹ in Lakhs

	Notes	As at 31st March 2020	As at 31st March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	19,866.98	16,706.17
Capital work in progress	3	984.70	105.71
Right-of-use assets	31	51,351.14	-
Goodwill	4	13,591.51	-
Other intangible assets	4	20,678.70	9,566.82
Financial assets			
(i) Investments	6	2,383.42	1,276.21
(ii) Loans	10	5,471.26	3,362.17
(iii) Other financial assets	11	287.40	175.23
Tax assets (net)		1,625.29	826.19
Other assets	12	212.09	2,107.09
Total non-current assets (A)		**116,452.49**	**34,125.59**
Current assets			
Inventories	5	24,828.35	26,982.13
Financial assets			
(i) Investments	6	-	983.39
(ii) Trade receivables	7	6,647.17	4,476.99
(iii) Cash and cash equivalents	8	8,096.99	2,826.95
(iv) Bank balances other than (iii) above	9	31.05	19,162.56
(v) Loans	10	301.23	-
(vi) Other financial assets	11	121.15	143.39
Tax assets (net)		7.39	11.37
Other assets	12	2,904.84	2,643.61
Total current assets (B)		**42,938.17**	**57,230.39**
TOTAL ASSETS (A+B)		**159,390.66**	**91,355.98**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13	3,976.71	3,976.71
Other equity	14	23,417.82	50,835.79
Total equity (C)		**27,394.53**	**54,812.50**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	8,681.05	-
(ii) Lease liabilities	31	56,269.14	-
(iii) Other financial liabilities	16	94.43	85.47
Deferred tax liabilities (net)	34	2,168.95	-
Provisions	20	1,029.68	822.73
Total non-current liabilities (D)		**68,243.25**	**908.20**
Current liabilities			
Contract liabilities	17	746.21	393.82
Financial liabilities			
(i) Borrowings	15	8,334.80	-
(ii) Lease liabilities	31	9,456.76	
(iii) Trade payables	18		
- Total outstanding dues of micro enterprises and small enterprises		312.91	67.50
- Total outstanding dues of creditors other than micro enterprises and small enterprises		37,085.76	31,137.46
(iv) Other financial liabilities	16	4,715.43	2,134.94
Other current liabilities	19	1,804.19	480.36
Provisions	20	1,296.82	1,421.20
Total current liabilities (E)		**63,752.88**	**35,635.28**
TOTAL EQUITY AND LIABILITIES (C+D+E)		**159,390.66**	**91,355.98**

The accompanying notes form an integral part of these Consolidated Ind AS Financial Statements.

This is the Consolidated Ind AS 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 : 29th June 2020

For and on behalf of Board of Directors

Devendra Chawla
Chief Executive Officer and Managing Director
DIN: 03586196
Place : Gurugram

Shashwat Goenka
Director
DIN: 03486121
Place : Kolkata

Sanjiv Goenka
Chairman
DIN: 00074796
Place : Kolkata

Rahul Nayak
Whole-time Director
DIN: 06491536
Place : Mumbai

Rama Kant
Company Secretary
Place : Kolkata

Kumar Tanmay
Chief Financial Officer
Place : Mumbai

Date : 29th June 2020

Consolidated Ind AS Statement of Profit and Loss for the year ended 31st March 2020

₹ in Lakhs

	Notes	For the year ended 31st March 2020	For the year ended 31st March 2019
Income			
Revenue from operations	21	2,64,007.14	2,18,718.04
Other income	22	3,181.06	2,814.94
Total Income (I)		**2,67,188.20**	**2,21,532.98**
Expenses			
Cost of raw materials consumed	23	620.77	687.07
Purchases of stock-in-trade		2,04,535.34	1,74,284.57
Changes in inventories of finished goods and Stock-in-Trade	24	2,158.25	(2,705.81)
Employee benefits expense	25	19,134.05	14,757.69
Other expenses	26	31,826.62	30,803.53
Total Expenses (II)		**2,58,275.03**	**2,17,827.05**
Earnings before interest expense, tax, depreciation and amortisation (EBITDA) [(I)-(II)]		**8,913.17**	**3,705.93**
Depreciation and amortisation	27	13,814.87	2,542.91
Finance costs	28	8,195.36	745.06
Profit / (loss) before tax (III)		**(13,097.06)**	**417.96**
Tax expense	34		
Current tax		-	178.52
Deferred tax (net)		(18.69)	-
Profit / (loss) for the year (IV)		**(13,078.37)**	**239.44**
Other Comprehensive Income/(loss)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plans		(58.55)	(139.13)
[net of tax of ₹ Nil (previous year : ₹ 37.18 Lakhs)]			
Other Comprehensive Income/(loss) for the year (V)		**(58.55)**	**(139.13)**
Total Comprehensive Income/(loss) for the year [(IV)+(V)]		**(13,136.92)**	**100.31**
Profit / (loss) for the year attributable to:			
Equity holders of the parent		(13,078.37)	239.44
Non-controlling interests		-	-
		(13,078.37)	**239.44**
Other comprehensive income / (loss) for the year attributable to:			
Equity holders of the parent		(58.55)	(139.13)
Non-controlling interests		-	-
		(58.55)	**(139.13)**
Total comprehensive income / (loss) for the year attributable to:			
Equity holders of the parent		(13,136.92)	100.31
Non-controlling interests		-	-
		(13,136.92)	**100.31**
Earnings per share - Basic and Diluted	29	**(16.44)**	**0.30**
[Nominal value per equity share ₹ 5 (31st March 2019: ₹ 5)]			

The accompanying notes form an integral part of these Consolidated Ind AS Financial Statements.

This is the Consolidated Ind AS 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 : 29th June 2020

For and on behalf of Board of Directors

Devendra Chawla
Chief Executive Officer and Managing Director
DIN: 03586196
Place : Gurugram

Shashwat Goenka
Director
DIN: 03486121
Place : Kolkata

Sanjiv Goenka
Chairman
DIN: 00074796
Place : Kolkata

Rahul Nayak
Whole-time Director
DIN: 06491536
Place : Mumbai

Rama Kant
Company Secretary
Place : Kolkata

Kumar Tanmay
Chief Financial Officer
Place : Mumbai

Date : 29th June 2020

Consolidated Ind AS Statement of Changes in Equity for the year ended 31st March 2020

A. Equity share capital

	31st March 2020		31st March 2019	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Balance at the beginning of the year	7,95,34,226	3,976.71	-	-
Equity shares allotted pursuant to the Scheme [(refer note no. 42(i) & 2.2(q)(ii)]	-	-	7,95,34,226	3,976.71
Balance at the end of the year	**7,95,34,226**	**3,976.71**	**7,95,34,226**	**3,976.71**

B. Other Equity

₹ in Lakhs

	Reserves and Surplus		Total
	Capital reserve	Retained earnings	
Balance at 1st April 2018	56,133.85	(5,398.37)	50,735.48
Profit for the year	-	239.44	239.44
Remeasurement of defined benefit plans	-	(139.13)	(139.13)
Balance at 31st March 2019	**56,133.85**	**(5,298.06)**	**50,835.79**
Adjustment on account of adoption of Ind AS 116 Leases [refer note 2.1(b) & note 31]	-	(14,281.05)	(14,281.05)
Balance at 1st April 2019 after adjustment	**56,133.85**	**(19,579.11)**	**36,554.74**
Profit/(Loss) for the year	-	(13,078.37)	(13,078.37)
Remeasurement of defined benefit plans	-	(58.55)	(58.55)
Balance at 31st March 2020	**56,133.85**	**(32,716.03)**	**23,417.82**

The accompanying notes form an integral part of these Consolidated Ind AS Financial Statements.

This is the Consolidated Ind AS 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 : 29th June 2020

For and on behalf of Board of Directors

Devendra Chawla
Chief Executive Officer and Managing Director
DIN: 03586196
Place : Gurugram

Shashwat Goenka
Director
DIN: 03486121
Place : Kolkata

Sanjiv Goenka
Chairman
DIN: 00074796
Place : Kolkata

Rahul Nayak
Whole-time Director
DIN: 06491536
Place : Mumbai

Rama Kant
Company Secretary
Place : Kolkata

Kumar Tanmay
Chief Financial Officer
Place : Mumbai

Date : 29th June 2020

Consolidated Ind AS Cash Flow Statement for the year ended 31st March 2020

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Operating Activities		
Profit / (loss) before tax	**(13,097.06)**	**417.96**
Adjustments :		
Depreciation and amortisation	13,814.87	2,542.91
Provision for bad and doubtful debts	994.52	94.24
Provision for doubtful store lease deposit	49.79	-
Bad debts / irrecoverable balances written off	18.46	-
Provision for decommissioning liability	25.54	53.62
Provision for obsolete stocks	714.84	222.71
Interest on non-cumulative non-convertible redeemable preference shares	8.96	-
Finance cost	8,160.86	45.14
Fair value gain on investments measured at fair value through profit or loss (FVTPL)	(879.75)	(247.04)
Gain on sale of investments	(411.86)	(100.92)
Interest income	(720.19)	(1,828.76)
Gain on sale of property, plant and equipment	(60.45)	(27.28)
Reversal of net liability on termination of lease	(447.08)	-
Cash generated from operations before working capital changes	**8,171.45**	**1,172.58**
Working capital changes:		
(Increase)/decrease in inventories	3,951.14	(2,955.71)
(Increase) in trade receivables	(2,756.98)	(850.55)
(Increase) in loans	(839.73)	(376.26)
Decrease in other financial assets	187.51	216.19
(Increase)/decrease in other assets	1,083.43	(1,323.98)
Increase in trade payables	1,812.98	3,182.97
Increase/(decrease) in financial liabilities	(17.61)	160.41
Increase in other current liabilities	532.28	93.69
Increase in contract liabilities	352.39	31.41
(Decrease) in provisions	(346.76)	(305.51)
Cash flow generated from / (used in) operating activities	**12,130.10**	**(954.76)**
Income taxes paid	(721.09)	(333.00)
Net cash generated from / (used in) operating activities (A)	**11,409.01**	**(1,287.76)**
Investing Activities		
Purchase of property, plant and equipments, including intangible assets, capital work in progress and capital advances	(4,334.06)	(4,581.38)
Proceeds from sale of property, plant and equipments	63.33	65.41
Payment towards acquisition of a subsidiary acquired in a business combination [(refer note no. 42(ii) & 2.2(q)(i)]	(17,068.47)	-
Investment in alternative investment fund	(202.50)	(375.00)
Proceeds from alternative investment fund	14.31	29.06
Purchase of mutual fund units	(49,983.69)	(18,418.07)
Proceeds from sale of mutual fund units	51,378.94	17,537.53
Investment in bank deposits	(20.50)	(34,424.80)
Redemption / maturity of bank deposits	19,066.58	40,329.41
Interest received	392.98	2,021.25
Net cash generated from / (used in) investing activities (B)	**(693.08)**	**2,183.41**

Consolidated Ind AS Cash-flow Statement for the year ended 31st March 2020

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Financing Activities		
Repayment of lease liabilities (principle)	(5,731.00)	-
Proceeds from non-current borrowings	3,000.00	-
Repayment of non-current borrowings	(977.05)	-
Net movement in current borrowings	6,320.40	-
Interest paid	(8,058.24)	(9.60)
Net cash used in financing activities (C)	**(5,445.89)**	**(9.60)**
Net increase in cash and cash equivalents (A+B+C)	**5,270.04**	**886.05**
Cash and cash equivalents at the beginning of the year	2,826.95	1,940.90
Cash and cash equivalents at the end of the year	**8,096.99**	**2,826.95**
Components of cash and cash equivalents :		
Balance with banks in current accounts	7,197.68	1,384.90
Balance with credit card, e-wallet companies and others	371.80	777.31
Cash on hand	527.51	664.74
Total cash and cash equivalents at the end of the year	**8,096.99**	**2,826.95**

Changes in liabilities arising from financing activities :

₹ in Lakhs

Particulars	As at 1st April 2019	Acquired during the year [(refer note no. 42(ii) & 2.2(q)(i)]	Cash flows Inflow/ (outflow)	Non-cash changes	As at 31st March 2020
Other Financial Liabilities - Preference shares	85.47	-	-	8.96	94.43
Non Current Borrowing (including current maturities on borrowings)	-	8,756.62	2,022.95	39.80	10,819.37
Current Borrowings	-	2,014.40	6,320.40		8,334.80
Lease Liabilities [refer note 31]	50,900.05	12,871.63	(5,731.00)	7,685.22	65,725.90

₹ in Lakhs

Particulars	As at 1st April 2018	Cash flows Inflow/(outflow)	Non-cash changes	As at 31st March 2019
Other Financial Liabilities - Preference shares	78.04	-	7.43	85.47

Non-cash Investing activities includes addition to Right-of-Use assets (refer note 31)

The accompanying notes form an integral part of these Consolidated Ind AS Financial Statements.
This is the Consolidated Ind AS 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

For and on behalf of Board of Directors

Devendra Chawla
Chief Executive Officer and Managing Director
DIN: 03586196
Place : Gurugram

Shashwat Goenka
Director
DIN: 03486121
Place : Kolkata

Sanjiv Goenka
Chairman
DIN: 00074796
Place : Kolkata

Rahul Nayak
Whole-time Director
DIN: 06491536
Place : Mumbai

Rama Kant
Company Secretary
Place : Kolkata

Kumar Tanmay
Chief Financial Officer
Place : Mumbai

Place : Kolkata
Date : 29th June 2020

Date : 29th June 2020

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

1. Corporate Information

These Consolidated Ind AS financial statements ("Financial Statements") comprise Standalone Ind AS financial statements of Spencer's Retail Limited (formerly known as RP-SG Retail Limited) ("the Company" or "Parent Company" or "Holding Company") and its subsidiaries (collectively, "the Group") as at and for the year ended 31st March 2020. The Company was incorporated as RP-SG Retail Limited, a public limited company incorporated under the provisions of the Companies Act, 2013 ("the Act"), pursuant to a certificate of incorporation dated February 8, 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 13th December 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) Information on other related party relationships of the Group is provided in Note 37.

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.

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 31st March, 2020 were approved for issuance in accordance with the resolution of the Board of Directors on 29th June 2020.

(b) Changes in accounting policies and disclosures

New and amended standards

The Group applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix A of Ind AS 17 Operating Leases-Incentives, Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under Ind AS 116, Lessors will continue to classify leases as either operating or finance leases under similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have any impact for leases where the Group is the lessor.

Effective 1st April 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application as on 1st April 2019. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Group's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31st March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies as per Ind AS 17 'Leases' applicable till 31st March, 2019.

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset of ₹38,926.24 Lakhs and a lease liability of ₹50,900.05 Lakhs (refer Note 31). The cumulative effect of applying the standard, amounting to ₹14,281.05 Lakhs was debited to retained earnings. In the current period, operating lease expenses which were recognised as other expenses in previous year is now recognised as depreciation expense for right-of-use asset and finance cost for interest accrued on lease liability. Pursuant to above, loss before tax for the year ended 31st March 2020 is increased by ₹ 2509.00 Lakhs and to this extent, results for the year ended 31st March 2020 are not comparable with previous year.

The following is the summary of practical expedients elected on initial application:

a) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics

b) Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application.

c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

d) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

The Group elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1st April 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

(c) 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
- Contingent consideration in a business combination

(d) Basis of Consolidation

The consolidated Ind AS financial statements have been prepared on the basis of standalone Ind AS financial statements of Spencer's Retail Limited and its wholly owned subsidiary, namely, Omnipresent Retail India Private Limited and special purpose standalone Ind AS financial statements of Natures Basket Limited (prepared by its management in accordance with Indian Accounting Standards specified under section 133 of the Companies Act 2013 except that comparatives have not been presented). 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

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

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 31st March 2020	Equity Interest 31st March 2019
Omnipresent Retails India Private Limited	E-Commerce	India	100%	100%
Natures Basket Limited (w.e.f. 4th July, 2019)	Organised retail stores	India	100 %	NA

(e) 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.

(f) 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 recognized 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), 20 & 30 (a)

(iv) Measurement of defined benefit obligations: key actuarial assumptions - Note 2.2(i), 36

(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 (p)(ii) & 34

(vii) Transition policy, choice, discounting rate and lease term for accounting of Right-of-use assets and lease liabilities under Ind AS 116 - Note 2.1(b), 2.2(o) and Note 31

(viii) Fair valuation of assets and liabilities acquired in a business combination - Note 42(ii) & 2.2(q)(i)

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 period in which they arise.

(c) Property, plant and equipment (PPE)

(i) Recognition and measurement

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

The cost of an item of property, plant and equipment comprises its purchase price inclusive of 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. Upto 31st March 2019, the present value of the expected cost to be incurred on removal ("restoration cost" or

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

"Decommissioning liability") of assets at the time of store closure is included in the cost of lease hold improvements. With effect from 1st April 2019 restoration cost is capitalised with right-of-use assets.

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.

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

Depreciation is calculated using the straight line method to allocate their cost, net of their residual values on the basis of useful lives prescribed in Schedule II to the Act and based on management's estimate of useful lives. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. 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 hardwares	3 to 6 years
Furniture and fixtures	3 to 15 years
Vehicles	5 years
Office equipments	5 years
Plant and machineries	15 to 25 years

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.

(iii) 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 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.

(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 comprise 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.

(i) 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.

(ii) 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.

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(iii) Offsetting financial instruments

Financial assets and liabilities are off set and the net amount is reported in the balance sheet where there is a legally enforceable right to 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.

(iv) 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 categorization (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.

(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 where no outflow is possible. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

(l) **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 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.

Dividend income

Dividend income is recognised only when the right to receive the same is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of dividend can be measured reliably.

(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) Leases

Accounting policies applicable from 1st April 2019:

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 recognizes 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 recognizes 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 recognized at cost, which comprises the initial amount of the lease liability

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

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 and leases of low-value assets are 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.

Accounting policies applicable upto 31st March 2019:

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.

(p) 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 utilized.

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 realize the asset and settle the liability simultaneously.

(q) 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 Tax 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.

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

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 recognized 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, as per the scheme approved by National Company Law Tribunal.

(r) 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.

(s) Segment reporting

Operating segment are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(t) 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.

(u) 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.

(v) 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.

(w) 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.

(x) Changes in accounting policies and disclosures due to new and amended standards having no material

impact

Following are the amendments and interpretations issued during the year ended 31st March 2020, but either are not applicable on the Group or do not have a material impact on these financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective/ notified.

- Amendments to Ind AS 109 - Prepayment Features with Negative Compensation
- Amendments to Ind AS 19 - Plan Amendment, Curtailment or Settlement
- Amendments to Ind AS 28 - Long-term interests in associates and joint ventures
- Annual improvement to Ind AS 103 - Business Combinations
- Annual improvement to Ind AS 111 - Joint Arrangements
- Annual Improvement to Ind AS 23 - Borrowing Costs
- Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment
- Annual improvement on - Income tax

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

3. Property, plant and equipment

₹ in Lakhs

Particulars	Leasehold improvements	Plant and machineries	Computer hardwares	Vehicles	Furniture and fixtures	Office equipments	Total
Gross carrying amount							
As at 1st April 2018	**8,933.37**	**4,376.46**	**1,748.25**	**19.55**	**6,508.14**	**138.74**	**21,724.51**
Additions during the year	1,985.01	941.32	460.41	-	1,362.03	8.26	4,757.03
Disposals during the year	36.12	56.48	8.10	-	173.93	-	274.63
As at 31st March 2019	**10,882.26**	**5,261.30**	**2,200.56**	**19.55**	**7,696.24**	**147.00**	**26,206.91**
Acquired in a Business Combination [(refer note no. 42(ii) & 2.2(q)(i)]	2,033.50	1,299.58	146.76	0.69	1,061.73	188.01	4,730.27
Additions during the year	1,504.71	422.26	336.96	-	645.10	5.73	2,914.76
Disposals during the year	238.95	77.70	50.25	-	167.40	30.97	565.27
As at 31st March 2020	**14,181.52**	**6,905.44**	**2,634.03**	**20.24**	**9,235.67**	**309.77**	**33,286.67**
Accumulated depreciation							
As at 1st April 2018	**2,395.22**	**1,124.58**	**1,101.78**	**18.22**	**2,812.26**	**27.67**	**7,479.73**
Depreciation for the year (refer note 27)	725.78	497.56	321.71	0.50	696.83	15.13	2,257.51
Disposals for the year	32.80	48.89	3.88	-	150.93	-	236.50
As at 31st March 2019	**3,088.20**	**1,573.25**	**1,419.61**	**18.72**	**3,358.16**	**42.80**	**9,500.74**
Depreciation for the year (refer note 27)	2,397.70	710.91	355.28	0.43	826.24	59.79	4,350.35
Disposals for the year	237.58	52.59	27.17	-	90.81	23.25	431.40
As at 31st March 2020	**5,248.32**	**2,231.57**	**1,747.72**	**19.15**	**4,093.59**	**79.34**	**13,419.69**
Net carrying amount							
As at 31st March 2020	**8,933.20**	**4,673.87**	**886.31**	**1.09**	**5,142.08**	**230.43**	**19,866.98**
As at 31st March 2019	**7,794.06**	**3,688.05**	**780.95**	**0.83**	**4,338.08**	**104.20**	**16,706.17**

Capital work in progress	₹ in Lakhs
As at 1st April 2018	**15.04**
Addition during the year	5,073.41
Less : Capitalised to Property, plant equipment and intangible assets during the year	4,982.74
As at 31st March 2019	**105.71**
Addition during the year	4,108.92
Less : Capitalised to Property, plant equipment and intangible assets during the year	3,229.93
As at 31st March 2020	**984.70**

Note : Refer note 15 for hypothecation of Property, plant and equipment.

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

4. Other Intangible assets & Goodwill

₹ in Lakhs

Particulars	Computer softwares	Know-how and licenses	Designs	Brands *	Goodwill *	Total
Gross carrying amount						
As at 1st April 2018	**1,276.27**	**295.05**	**-**	**8,625.00**	**-**	**10,196.32**
Additions during the year	108.98	-	116.73	-	-	225.71
As at 31st March 2019	**1,385.25**	**295.05**	**116.73**	**8,625.00**	**-**	**10,422.03**
Acquired in a Business Combination [(refer note no. 42(ii) & 2.2(q)(i)]	103.82	-	-	11,174.00	13,591.51	24,869.33
Additions during the year	112.22	-	202.95	-	-	315.17
Disposals during the year	-	37.23	-	-	-	37.23
As at 31st March 2020	**1,601.29**	**257.82**	**319.68**	**19,799.00**	**13,591.51**	**35,569.30**
Accumulated amortisation						
As at 1st April 2018	**391.78**	**178.03**	**-**	**-**	**-**	**569.81**
Amortisation for the year (refer note 27)	207.18	54.66	23.56	-	-	285.40
As at 31st March 2019	**598.96**	**232.69**	**23.56**	**-**	**-**	**855.21**
Amortisation for the year (refer note 27)	382.02	29.46	67.77	-	-	479.25
Disposals for the year	-	35.37	-	-	-	35.37
As at 31st March 2020	**980.98**	**226.78**	**91.33**	**-**	**-**	**1,299.09**
Net carrying amount						
As at 31st March 2020	**620.31**	**31.04**	**228.35**	**19,799.00**	**13,591.51**	**34,270.21**
As at 31st March 2019	**786.29**	**62.36**	**93.17**	**8,625.00**	**-**	**9,566.82**

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Net Book Value		
Goodwill [refer note 42(ii)]	13,591.51	-
Other Intangible Assets	20,678.70	9,566.82
	34,270.21	**9,566.82**

* 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. They are tested for impairment annually.

Brand amounting to ₹ 8,625.00 lakhs is in respect of the parent Company and the remaining portion of Brand and Goodwill pertains to acquision of a subsidiary.

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 year. Value in use has been determined based on relief from royalty method and future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions. The calculations uses cash flow projections based on financial budgets approved by management. The cash flows beyond the forecast period have been extrapolated at a rate of 4.50% per annum, based on the long-term average growth rate for the entity's business.

The pre-tax discount rate of 20.24% per annum and 16.23% per annum is based on the Weighted Average Cost of Capital (WACC) which represents the weighted average return attributable to all the assets of parent and subsidiary respectively.

No impairment charges were recognised for the year ended 31st March 2020 and 31st March 2019.

The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the respective CGU.

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

5. Inventories

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
(at the lower of cost and net realisable value)		
Raw materials	86.62	78.01
Finished goods	121.73	36.85
Stock-in-trade	24,323.95	26,567.08
Packing materials	296.05	300.19
	24,828.35	**26,982.13**

6. Investments

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
(i) Non-current		
Unquoted		
Investments in equity instruments (At FVTOCI)		
Retailer's Association of India: 10,000 equity shares (31st March 2019: 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 of ₹10/- each fully paid (31st March 2019: Nil)	7.36	-
Investment in government securities (At amortised cost)	31.92	-
Investment in Alternative Investment Fund (At FVTPL)		
Fireside Ventures Investment Fund I : 1,307.196 units (31st March 2019: 1,104.696 units) of face value ₹ 100,000 each	2,343.14	1,275.21
	2,383.42	**1,276.21**
(ii) Current		
Quoted		
Investment in mutual fund (at FVTPL)		
IDFC Ultra Short Term Fund - Direct Plan - Growth: Nil units (31st March 2019: 9,272,911.634 Units of ₹ 10.605 each)	-	983.39
	-	**983.39**
Aggregate book value of quoted investment	-	983.39
Aggregate market value of quoted investments	-	983.39
Aggregate value of unquoted investments	2,383.42	1,276.21

7. Trade receivables

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
(Unsecured)		
- Considered good	6,647.17	4,476.99
- Significant increase in credit risk	1,193.26	175.74
	7,840.43	4,652.73
Impairment allowance:		
- Significant increase in credit risk	(1,193.26)	(175.74)
	6,647.17	**4,476.99**

Refer note 37 for receivables from related parties.

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

8. Cash and cash equivalents

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Balance with banks in current accounts	7,197.68	1,384.90
Balance with credit card, e-wallet companies and others	371.80	777.31
Cash on hand	527.51	664.74
	8,096.99	**2,826.95**

9. Bank balances other than Cash and cash equivalents above

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Deposits with original maturity of more than 3 months and less than 12 months	31.05	19,162.56
	31.05	**19,162.56**

10. Loans

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
(Unsecured)		
(i) Non-current		
Security Deposits		
- Considered good	5,471.26	3,362.17
- Significant increase in credit risk	20.89	13.42
- Credit impaired	181.79	131.99
	5,673.94	3,507.58
Impairment allowance:		
- Significant increase in credit risk	(20.89)	(13.42)
- Credit impaired	(181.79)	(131.99)
	(202.68)	(145.41)
	5,471.26	**3,362.17**
(ii) Current		
Security Deposits		
- Considered good	297.17	-
- Credit impaired	91.22	-
	388.39	-
Impairment allowance:		
- Credit impaired	(91.22)	-
	297.17	**-**
Employee loans and advances		
- Considered good	4.06	-
- Credit impaired	78.00	-
	82.06	-
Impairment allowance:		
- Credit impaired	(78.00)	-
	(78.00)	-
	4.06	**-**
	301.23	**-**

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

11. Other financial assets

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
(Unsecured and considered good)		
(i) Non-current		
Bank deposits with original maturity of more than 12 months	28.59	-
Margin money deposit *	256.49	171.31
Interest accrued on bank deposits	2.32	2.79
Advances to employees	-	1.13
	287.40	**175.23**
(ii) Current		
Bank deposits with original maturity of more than 12 months	3.64	2.00
Interest accrued on bank deposits	0.45	17.35
Advances to employees	74.63	39.86
National savings certificates pledged with government authorities #	15.26	-
Other receivables	27.17	84.18
	121.15	**143.39**

* Margin money deposit of ₹ 256.49 Lakhs (31st March 2019: ₹ 171.31 Lakhs) are encumbered with banks against bank guarantees.

Pledged with excise department for liquor license.

12. Other assets

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
(Unsecured and considered good)		
(i) Non-current		
Capital advances	164.76	39.48
Advances other than capital advances :		
Advances recoverable in cash or in kind	-	0.65
Prepaid expenses	12.59	2,032.24
Deposits for claims and tax disputes	34.74	34.72
	212.09	**2,107.09**
(ii) Current		
Advances for goods and services	1,048.44	650.30
Prepaid expenses	591.38	1,067.87
Balance with Statutory / Government authorities	1,265.02	925.44
	2,904.84	**2,643.61**

13. Equity share capital

	As at 31st March 2020		As at 31st March 2019	
	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	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**

* 0.01% non-cumulative non-convertible redeemable preference shares of ₹ 100 each issued are classified as financial liability [refer note 16(i)].

Note : With approval of the Board of Directors on 11th February 2020, to issue further shares on Rights basis for an amount aggregating upto ₹ 8,000.00 Lakhs to existing eligible equity shareholders, the Company had filed Draft Letter of Offer ("DLOF") dated 12th May 2020 with Securities and Exchange Board of India (SEBI) and with the concerned stock exchanges.

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year:

	As at 31st March 2020		As at 31st March 2019	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Equity shares				
At the beginning of the year	7,95,34,226	3,976.71	-	-
Equity shares allotted pursuant to the Scheme [(refer note no. 42(i) ,2.2(q)(ii) & Note (i) below]	-	-	7,95,34,226	3,976.71
At the end of the year	**7,95,34,226**	**3,976.71**	**7,95,34,226**	**3,976.71**

(i) 79,534,226 equity shares of ₹ 5 each amounting to ₹ 3,976.71 Lakhs is the equity share capital of the Parent Company effective from 1st October 2017 as per the scheme of arrangement approved by the NCLT (National Company Law Tribunal). The aforesaid shares were pending allotment as on 31st March 2018. On 14th November 2018, the equity shares were issued and since transferred to equity share capital.

(b) Rights, preferences and restrictions attached to equity shares:

The 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 31st March 2020		As at 31st March 2019	
	No. of shares	%	No. of shares	%
Rainbow Investments Limited	3,80,32,979	47.82%	3,80,32,979	47.82%

(d) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	Year ended 31st March 2020	Year ended 31st March 2019	Year ended 31st March 2018	Year ended 31st March 2017
Equity shares of ₹ 5 each allotted as fully paid-up pursuant to the Scheme [(refer note no. 42(i) & 2.2(q)(ii)]	7,95,34,226	7,95,34,226	-	-
Preference shares of ₹ 100 each allotted as fully paid-up pursuant to the Scheme [(refer note no. 42(i) & 2.2(q)(ii)]	5,00,000	5,00,000	-	-

Note: As the Parent Company was incorporated on 8th February 2017, disclosure of number of shares issued for consideration other than cash for the year ended 31st March 2016 is not applicable and hence not disclosed.

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

14. Other equity

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
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**
Retained earnings		
Balance as at beginning of the year	(5,298.06)	(5,398.37)
Adjustment on account of adoption of Ind AS 116 Leases [refer note 2.1(b) & note 31]	(14,281.05)	-
Balance as at beginning of the year after adjustment	**(19,579.11)**	**(5,398.37)**
Profit / (loss) for the year	(13,078.37)	239.44
Remeasurement of defined benefit plans	(58.55)	(139.13)
Balance as at end of the year (b)	**(32,716.03)**	**(5,298.06)**
Total Other Equity (a) + (b)	**23,417.82**	**50,835.79**

Note :

(a) Capital Reserves [refer note 42(i)]

The Capital Reserve had arisen pursuant to the composite Scheme of Arrangement amongst the Parent Company, CESC Limited and eight other companies and their respective shareholders which has been made effective from 1st October 2017, being appointed date, as approved by Hon'ble National Company Law Tribunal (NCLT).

(b) Retained earnings

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 is having positive balance representing net earnings till date.

15. Borrowings

(i) Non- Current Borrowings

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
(Secured)		
(A) Term Loan From Banks	5,604.97	-
(B) Term Loan From Financial Institution	5,270.71	-
Less : Current Maturity of long term debt transferred to other financial liabilities	2,138.32	-
Less : Unamortised Borrowing Cost	56.31	-
	8,681.05	**-**

1. **Security & other terms**

   Term Loan from Banks

   a) Out of the Term loan from banks in respect of (A) above, ₹ 3,000.00 Lakhs loan is secured by first Pari Passu charge by way of mortgage 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 loan carries an interest rate @ 6 months MCLR (Marginal Cost of Funds based Lending Rate) plus 0.1% p.a. i.e. 9.50% p.a. as at year end. The said loan is payable after 9 month from the date of disbursement in 18 equal quarterly installment of ₹ 166.67 lakhs each.

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

b) ₹ 2,597.37 Lakhs in respect of (A) above pertaining to a subsidiary, is secured by hypothecation of moveable plant and machinery, furniture, fixtures consisting of refrigeration and interior work, both present and future of funded stores of the subsidiary. The loans carries an interest rate of 9.65% p.a. to 10.60% p.a. payable in fixed monthly installments over a period of 7 years from the date of disbursement.

Term Loan from Financial Institution

Term loan from Financial Institution in respect of (B) above pertaining to a subsidiary is secured by hypothecation of the Fixed Assets and Current Assets of the funded stores of the subsidiary. These loans carry an interest rate of 9.70% p.a. to 11.25% p.a. payable in fixed monthly installments over a period of 5 years from the date of disbursement.

c) Maturity profile of non current borrowings outstanding as at year end

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Payable within 1 year	2,138.32	-
Payable between 1 to 3 years	6,783.56	-
Payable between 3 to 5 years	1,953.80	-

(ii) Current Borrowings

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Working Capital Loan from bank (secured) [refer note (a) below]	4,000.00	-
Invoice financing facility from bank (unsecured) [refer note (b) below]	2,856.26	-
Overdraft facility from bank (secured) [refer note (c) below]	1,478.54	-
	8,334.80	**-**

1. **Security & other terms**
   a) Working Capital loan from bank in respect of the Parent Company is secured by first part passu charge by way of hypothecation over entire current assets of the Parent Company and Second part passu charge by way of hypothecation over moveable fixed assets of the Parent Company. Working Capital loan carries interest @ 9.50% p.a. at the year end payable at monthly rest. It is payable on demand.

   b) Invoice financing facility carries interest at MCLR plus applicable margin (i.e. 9.95% p.a. at the year end). Loan is payable in maximum period of 90 days.

   c) Overdraft facility from bank is secured by hypothecation of movable and immovable fixed assets of stores of the subsidiary and carries an interest rate of 10.95% p.a.

16. Other financial liabilities

(i) Non Current

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Non-cumulative non-convertible redeemable preference shares		
0.01% non-cumulative non-convertible redeemable preference shares of ₹ 100 each: 500,000 shares (31st March 2019: 500,000 shares) issued pursuant to the Scheme [(refer note no. 42(i) & 2.2(q)(ii)]	94.43	85.47
	94.43	**85.47**

Rights, preferences and restrictions attached to preference shares :

500,000, non-cumulative non-convertible redeemable (31st March 2019: 500,000) preference shares of ₹ 100 each carrying dividend @ 0.01% per annum are redeemable at par after 20 years from the date of allotment.

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

(ii) Current

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Current maturities of long term debt (refer note 15)	2,138.32	-
Interest accrued but not due on borrowings	117.15	-
Sundry deposits	439.53	369.64
Liability for capital goods	418.82	788.66
Payable to employees	1,600.27	976.64
Others	1.34	-
	4,715.43	**2,134.94**

17. Contract liabilities

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Advances from customers	645.22	393.82
Customer Loyalty Program Liabilities	100.99	-
	746.21	**393.82**

The Group expects to recognise the above amount as revenue within next year.

18. Trade payables

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Total outstanding dues of micro enterprises and small enterprises (refer note 32)	312.91	67.50
Total outstanding dues of creditors other than micro enterprises and small enterprises	37,085.76	31,137.46
	37,398.67	**31,204.96**

Refer note 37 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.

19. Other current liabilities

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Other liabilities [refer note 42 (ii)]	591.81	-
Statutory dues	959.05	480.36
Other payables	253.33	-
	1,804.19	**480.36**

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

20. Provisions

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
(i) Non-current		
Provisions for employee benefits :		
Provision for gratuity (refer note 36)	346.69	281.00
Provision for compensated absences	346.08	241.28
	692.77	522.28
Other provisions :		
Provision for decommissioning liability [refer note (a) below]	336.91	300.45
	1,029.68	**822.73**
(ii) Current		
Provisions for employee benefits :		
Provision for gratuity (refer note 36)	7.79	40.35
Provision for compensated absences	4.95	18.07
	12.74	58.42
Other provisions :		
Provision for tax disputes [refer note (b) below]	101.03	179.73
Provision for claims on leased properties [net off amount deposited - refer note (c) below]	1,183.05	1,183.05
	1,284.08	1,362.78
	1,296.82	**1,421.20**

Note :

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

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Opening balance	**300.45**	**246.83**
Provision created during the year	10.92	30.72
Unwinding of interest during the year	25.54	22.90
Closing balance	**336.91**	**300.45**

(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.

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Opening balance	**179.73**	**293.53**
Acquired in a Business Combination [(refer note no. 42(ii) & 2.2(q)(i)]	195.00	-
Provision created / (reversed) during the year	(130.96)	(0.54)
Paid during the year	(142.74)	(113.26)
Closing balance *	**101.03**	**179.73**

* Net of deposits as at 31st March 2020 ₹ 64.41 Lakhs (31st March 2019: ₹ 51.09 Lakhs) made under appeal.

(c) Retailers Association of India (RAI) of which the Group is a member, has filed Special Leave Petition before the Hon'ble Supreme Court of India, about the applicability of service tax on commercial rent on immovable property. Pending disposal of the case, the Supreme Court has passed an interim ruling in October 2011 directing the members of RAI to pay 50% of total service tax liability up to September 2011 to the department and to furnish a surety for balance 50%. The Supreme Court has also clarified that the successful party in the appeal shall be entitled to interest on the amount stayed by the Court, at such rate as may be directed at the time of the final disposal of appeal. Accordingly the Group has already deposited ₹ 460.00 Lakhs and furnished a surety for ₹ 460.00 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 Group has also been making provision for service tax on rent from October 2011 onwards, the balance whereof as on 31st March 2020 is ₹ 1,183.05 Lakhs (31st March 2019: ₹ 1,183.05 Lakhs).

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Opening balance	1,183.05	1,172.42
Provision created/ (reversed) during the year	-	46.78
Provision paid during the year	-	(36.15)
Closing balance	**1,183.05**	**1,183.05**

21. Revenue from operations

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Revenue from contract with customers		
Sale of goods	2,74,531.74	2,28,067.31
Sale of concessionaire products	3,861.91	3,844.13
Total	2,78,393.65	2,31,911.44
Less: Goods & Service Tax	(23,897.63)	(21,054.26)
Less: Cost of goods sold for concessionaire products	(2,974.48)	(2,955.17)
	2,51,521.54	2,07,902.01
Other operating revenue		
-Display Income	7,501.00	6,778.11
-Others	4,984.60	4,037.92
Total revenue from contract with customers	**2,64,007.14**	**2,18,718.04**

22. Other income

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest income		
- Bank deposits	375.61	1,583.71
- Security deposits	337.62	235.25
- Others	6.96	9.80
Gain on sale of investments	411.86	100.92
Fair value gain on investments measured at FVTPL	879.75	247.04
Net gain on sale of property, plant and equipment	60.45	27.28
Reversal of net liability on termination of lease	447.08	-
Miscellaneous income *	661.73	610.94
	3,181.06	**2,814.94**

* includes provision / liabilities no longer required written back.

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

23. Cost of raw materials consumed

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Inventories at the beginning of the year	78.01	79.29
Purchases during the year	629.38	685.79
	707.39	765.08
Less: Inventories at the end of the year	86.62	78.01
	620.77	**687.07**

24. Changes in inventories of finished goods and Stock-in-Trade

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Inventories at the beginning of the year	26,603.93	23,898.12
Less: Inventories at the end of the year	24,445.68	26,603.93
	2,158.25	**(2,705.81)**

25. Employee benefits expense

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Salaries, wages and bonus	17,233.16	13,315.84
Gratuity defined benefit plan [refer note 36]	121.08	65.21
Contribution to provident and other funds	1,148.48	788.71
Staff welfare expenses	631.33	587.93
	19,134.05	**14,757.69**

26. Other expenses

₹ in Lakhs

	For the year ended 31st March 2020		For the year ended 31st March 2019	
Power and fuel		5,745.33		4,333.69
Freight		752.78		214.62
Rent [refer note 2.1(b) and 31]		2,831.12		11,135.72
Repairs and maintenance				
- Buildings		382.89		371.97
- Others		3,549.75		2,750.13
Insurance		159.57		70.23
Rates and taxes		1,224.46		536.56
Advertisement and selling expenses		5,062.32		3,040.67
Packing materials consumed		721.63		570.56
Travelling and conveyance		618.92		428.66
Payment to auditors				
As auditor				
- Audit fees	87.62		10.00	
- Tax audit fees	12.45		3.00	
- Limited Review	9.00		-	
- Reimbursement of expenses	1.81	110.88	-	13.00
Communication expenses		616.02		212.56
Printing and stationery		315.01		301.31
Legal and consultancy expenses		1,251.43		467.41
Housekeeping expenses		3,954.06		3,168.39
Security expenses		2,038.74		1,686.14

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

26. Other expenses

₹ in Lakhs

	For the year ended 31st March 2020		For the year ended 31st March 2019	
Provision for doubtful store lease deposit		49.79		-
Provision for bad and doubtful debt		994.52		94.24
Miscellaneous expenses		1,447.40		1,407.67
		31,826.62		**30,803.53**

27. Depreciation and amortisation

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Depreciation of property, plant and equipment (refer note 3)	4350.35	2,257.51
Depreciation on right-of-use assets (refer note 31)	8,985.27	-
Amortisation of intangible assets (refer note 4)	479.25	285.40
	13,814.87	**2,542.91**

28. Finance costs

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest expense		
- Borrowings	1,661.41	-
- Lease liabilities	5,847.21	-
- Non-cumulative non-convertible redeemable preference shares	8.96	7.43
- Unwinding of decommissioning liability	25.54	22.90
- Others	30.64	14.81
Other costs	621.60	699.92
	8,195.36	**745.06**

29. Earning per share (EPS)

Basic and diluted EPS have been calculated by dividing the profit / (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 31st March 2020	For the year ended 31st March 2019
Profit / (loss) for the year (₹ in Lakhs)	(13,078.37)	239.44
Weighted average number of equity shares	7,95,34,226	7,95,34,226
Earnings per share – basic and diluted (face value of ₹ 5 each)	(16.44)	0.30

Note : For the year ended 31 March 2019, 79,534,226 equity shares issued on 14th November 2018 pursuant to the composite Scheme of Arrangement effective from 1st October 2017, being appointed date, approved by Hon'ble National Company Law Tribunal (NCLT) has been considered as outstanding for the entire year for the purpose of Basic and diluted earnings per share.

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

30. Commitments and contingencies

(a) Contingent liabilities

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Contingent liabilities not provided for in respect of:		
(i) Sales Tax / Value Added Tax (VAT) demands under appeal	1,085.79	1,027.87
(ii) Service Tax demands under appeal	-	553.89
(iii) Claims against the Group not acknowledged as debt	4,700.14	4,612.40

There are numerous interpretative issues relating to the Supreme Court judgment dated 28th February 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. As a matter of caution, the Group has made a provision on a prospective basis from the date of the judgment. The Group is evaluating and seeking inputs regarding various interpretative issues and its impact.

(b) Commitments

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
(i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	555.34	129.04
(ii) for Investments	172.50	375.00

(c) Operating lease commitments as per Ind AS 17 effective upto 31st March 2019 (Group as Lessee)

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

₹ in Lakhs

	For the year ended 31st March 2019
Lease expenses for the year	11,135.72

(b) Commitments

₹ in Lakhs

	As at 31st March 2019
Future minimum lease payments:	
(i) Within 12 months	8,752.77
(ii) Between 2 to 5 years	34,859.62
(iii) Beyond 5 years	71,112.75

31. Ind AS - 116 Leases

Refer note 2.1(b) for approach followed by the Group for transition to Ind AS 116 and note 2.2(o) for accounting policy for leases.

The effect of adoption Ind AS 116 as at 1st April 2019 (increase/(decrease)) is, as follows:

₹ in Lakhs

	As at 1st April 2019
Assets	
Right-of-use assets [refer note (ii) below]	38,926.24
Other Asset - Non Current [refer note (i) below]	(2,032.24)
Other Asset - Current [refer note (i) below]	(275.00)
Total Assets	**36,619.00**
Liabilities	
Lease Liabilities	50,900.05
Total Liabilities	**50,900.05**
Total Adjustment on equity - Retained Earnings	**(14,281.05)**

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

(i) Represents ₹ 2,032.24 Lakhs and ₹ 275.00 Lakhs on account of prepaid expenses on fair valuation of security deposits.

(ii) Right-of-use assets ₹ 38,926.24 Lakhs includes prepaid expenses on fair valuation of security deposits.

The movement in right-of-use ("ROU") assets and lease liabilities are as below :

₹ in Lakhs

Particulars	
Right-of-use assets :	Buildings
Balance as of 1st April 2019 *	38,926.24
Acquired in a Business Combination [(refer note no. 42(ii) & 2.2(q)(i)]	13,345.46
Additions	11,370.93
Deletions	(3,306.22)
Depreciation	(8,985.27)
Balance as of 31st March 2020	**51,351.14**

* Includes ₹ 2,032.24 Lakhs and ₹ 275.00 Lakhs on account of prepaid expenses on fair valuation of security deposits, re-classed from Other Non-Current Assets and Other Current Assets respectively.

The aggregate depreciation on right-of-use assets is included under depreciation and amortization expenses in the statement of profit and loss [refer note 27].

₹ in Lakhs

Particulars	
Lease Liabilities :	
Balance as of 1st April 2019	50,900.05
Acquired in a Business Combination [(refer note no. 42(ii) & 2.2(q)(i)]	12,871.63
Additions	10,979.10
Interest expense incurred during for the year	5,847.21
Deletions	(3,293.88)
Payment of lease liabilities*	(11,578.21)
Balance as of 31st March 2020	**65,725.90**

* Includes ₹ 5,847.21 lakhs on account of interest expense.

The aggregate interest incurred on lease liabilities is included under finance cost in the statement of profit and loss [refer note 28].

The following is the break-up of current and non-current lease liabilities as at 31st March 2020

₹ in Lakhs

Particulars	
Current lease liabilities	9,456.76
Non-current lease liabilities	56,269.14
Total	**65,725.90**

The table below provides details regarding the contractual maturities of lease liabilities as at 31st March 2020 on an undiscounted basis:

₹ in Lakhs

Particulars	
Less than one year	13,845.13
One to five years	43,730.11
More than five years	39,293.75
Total	**96,868.99**

The lessee's weighted average incremental borrowing rate applied to lease liabilities on the date of initial application is 8.81% p.a.

Rent paid (excluding taxes) during the year ended 31st March 2020 amounts to ₹ 13,526.66 Lakhs

Rental expenses (excluding taxes) recorded for short term leases during the year ended 31st March 2020 amounts to ₹ 728.85 Lakhs

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

Rental expenses (excluding taxes) recorded for variable leases for the year ended 31st March 2020 amounts to ₹ 1,532.30 Lakhs

The difference between the lease obligation recorded as of 31st March 2019 under Ind AS 17 disclosed under Note 30 (c) and discounted value of the lease liability as of 1st April 2019 is primarily on account of management's estimate of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116. The lease term considered is as per management's judgment and estimate in relation to cancellable lease agreement.

32. Information relating to Micro, Small and Medium Enterprises (MSME):

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
(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	305.85	65.97
Interest	3.22	0.25
(ii) The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to suppliers beyond the appointed day during the year		
Principal	-	-
Interest	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006		
Principal	486.34	58.07
Interest	10.06	1.28
(iv) The amount of interest accrued and remaining unpaid at the end of the year being interest outstanding as at the beginning of the accounting year.	1.53	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when interest dues above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	14.81	1.53

33. Contract balances under Ind AS 115

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Trade receivables	6,647.17	4,476.99
Contract liabilities	746.21	393.82

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.

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

34. Deferred tax assets/(liabilities) (net)

(a) Deferred tax relating to assets and liabilities:

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
-Deferred tax liabilities		
Property, plant & equipment and intangible asset	(1,985.20)	(136.96)
Fair value gain on investment	(339.99)	(90.13)
Right-of-use assets	(17,470.86)	-
Total	**(19,796.05)**	**(227.09)**
-Deferred tax assets		
Carry forward business losses/unabsorbed depreciation	50,796.40	41,410.31
Disallowance under Tax Laws	283.57	312.50
Lease Liabilities	21,955.66	-
MAT (Minimum Alternative Tax) credit entitlement	141.34	141.34
Others	1,753.60	259.45
Total	**74,930.57**	**42,123.60**
-Deferred tax assets (net)	**55,134.52**	**41,896.51**
-Unrecognised Deferred tax assets (net)*	**57,303.47**	**41,896.51**
-Recognised Deferred tax asset/ (liability) as per consolidated balance sheet**	**(2,168.95)**	**-**

* 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)

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
As the beginning of the year	-	-
Deferred tax on acquisition through business combination [refer note 42(ii) and 22.2(q) (i)]	(2,187.64)	-
(Charged)/credited:		
- to Consolidated Statement of Profit and Loss	18.69	-
- to other comprehensive income	-	-
As the end of the year	**(2,168.95)**	**-**

(b) Tax expenses recognized in the Consolidated Statement of Profit & Loss

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Current Tax:		
Current Tax on taxable income for the year	-	178.52
Deferred tax	18.69	-
Total income tax expense	**18.69**	**178.52**

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

(c) The reconciliation of tax expense and the accounting profit multiplied by India's tax rate

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Profit / (loss) before tax	(13,097.06)	417.96
Tax rate applicable to the Group	34.94%	34.94%
Tax amount computed using applicable tax rate	(4,576.64)	146.05
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Expenses Disallowed under Income Tax Laws	6.84	0.80
MAT Credit Entitlement not recognised as deferred tax assets	-	141.34
Difference in tax rate for certain entities of the group	485.74	-
Deferred Tax assets not recognised	4,065.37	193.85
Unrecognised deferred tax assets used to reduce tax expense	-	(303.52)
Total income tax expense	**(18.69)**	**178.52**
Effective Tax rate	**0.14%**	**42.71%**

(d) Tax Losses Expiry

The following table summarises the expiry dates of the carried forward tax losses as at 31st March 2020 :₹ in Lakhs

Sl. No.	Financial Year	Business Loss Expiry Year	Business Loss	Unabsorbed depreciation	Total
1	2001-02	-	-	325.32	325.32
2	2002-03	-	-	253.23	253.23
3	2003-04	-	-	368.30	368.30
4	2004-05	-	-	558.10	558.10
5	2005-06	-	-	549.85	549.85
6	2006-07	-	-	1,436.69	1,436.69
7	2007-08	-	-	5,002.34	5,002.34
8	2008-09	-	-	6,383.82	6,383.82
9	2009-10	-	-	5,287.11	5,287.11
10	2010-11	-	-	4,669.81	4,669.81
11	2011-12	-	-	4,549.81	4,549.81
12	2012-13	2020-21	13,562.76	4,238.73	17,801.49
13	2013-14	2021-22	12,874.81	4,400.25	17,275.06
14	2014-15	2022-23	13,867.29	4,521.84	18,389.13
15	2015-16	2023-24	15,550.50	4,613.97	20,164.47
16	2016-17	2024-25	14,667.64	4,464.45	19,132.09
17	2017-18	2025-26	6,225.92	2,829.11	9,055.03
18	2018-19	2026-27	6,797.06	2,184.58	8,981.64
19	2019-20	2027-28	8,869.21	4,577.84	13,447.05
		Total	**92,415.19**	**61,215.15**	**1,53,630.34**

Note :

- 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.

- 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 14 years (31st March 2019: 15 years)

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

35. 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.

36. 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 :

(a) Reconciliation of present value of defined benefit obligations

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Balance at the beginning of the year	405.09	401.64
Acquired in a Business Combination [(refer note no. 42(ii) & 2.2(q)(i)]	163.57	-
Current service cost	121.08	65.21
Interest cost	26.57	18.60
Benefits paid	(150.01)	(320.41)
Actuarial (gain) / loss on defined benefit obligations	8.71	240.05
Balance at the end of the year	**575.01**	**405.09**

(b) Reconciliation of fair value of plan assets

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Balance at the beginning of the year	83.74	73.25
Acquired in a Business Combination [(refer note no. 42(ii) & 2.2(q)(i)]	96.48	-
Interest income	10.15	5.64
Contributions by employer	230.00	261.52
Benefits paid	(150.01)	(320.41)
Actuarial gains / (losses)	(49.84)	63.74
Balance at the end of the year	**220.52**	**83.74**

(c) Net defined benefit liabilities

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Present value of defined benefit obligations	575.01	405.09
Fair value of plan assets	(220.52)	(83.74)
Net defined benefit liabilities [refer note 20]	**354.49**	**321.35**

(d) Expense recognised in Statement of Profit or Loss

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Current service cost	121.08	65.21
Interest cost	26.57	18.60
Interest income	(10.15)	(5.64)
	137.50	**78.17**

(e) Remeasurement recognised in Other Comprehensive Income

₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Actuarial (gain) / loss on defined benefit obligations	8.71	240.05
Actuarial (gain) / loss on plan assets	49.84	(63.74)
	58.55	**176.31**

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

(f) The major category of plan assets as a percentage of the fair value of total plan assets are as follows : ₹ in Lakhs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Investments with insurer	100%	100%

(g) Actuarial assumptions ₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Discount rate	6.69% to 7.21%	7.70%
Expected rate of return on assets	6.69% to 7.21%	7.70%
Future compensation growth	4.60% to 6.00%	4.60%
Average expected future service	12 to 28 years	23 years
Employee turnover	Ranging grade wise from 4% to 67%	Ranging grade wise from 12% to 67%

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2006-08 - ultimate).

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

(i) The Group expects to contribute ₹ 8.69 Lakhs (31st March 2019: ₹ 41.89 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:

₹ in Lakhs

	As at 31st March 2020		As at 31st March 2019	
Change in rate	Increase	Decrease	Increase	Decrease
(i) Discount rate (0.5% movement)	(50.26)	56.00	(21.44)	23.31
(ii) Future salary (0.5% movement)	54.56	(49.29)	23.53	(21.80)
(iii) Mortality (10% movement)	4.14	(4.13)	0.72	(0.72)
(iv) Attrition rate (0.5% movement)	1.63	(1.64)	1.84	(1.86)

(k) Estimated future payments of undiscounted gratuity is as follows : ₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Within 12 months	8.69	41.89
Between 2 to 5 years	58.87	85.64
Between 6 to 10 years	166.13	184.00
Beyond 10 years	1744.92	821.98
	1978.61	**1133.51**

36.1 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 ₹ 917.98 Lakhs (31st March 2019: ₹ 471.49 Lakhs) in the Consolidated Statement of Profit and Loss.

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

37 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 period / balances outstanding)

1)	Au Bon Pain Café India Limited	9)	Open Media Network Private Limited
2)	Bowlopedia Restaurants India Limited	10)	Phillips Carbon Black Limited
3)	CESC Limited	11)	Quest Properties India Limited
4)	First Source Solutions Limited	12)	RPG Power Trading Co. Limited
5)	Guiltfree Industries Limited	13)	Saregama India Limited
6)	Kolkata Games and Sports Private Limited	14)	Duncan Brothers & Co. Limited
7)	Integrated Coal mining Limited	15)	Haldia Energy Limited
8)	Accurate Commodeal Private Limited	16)	Great Wholesale Club Limited - Gratuity fund

(iii) Key Managerial Personnel

1)	Sanjiv Goenka - Non-Executive Director and Chairman (w.e.f. 14th November 2018)	9)	Rajarshi Banerjee - Director (upto 27th November 2018)
2)	Shashwat Goenka - Non-Executive Director (w.e.f. 14th November 2018)	10)	Devendra Chawla - Chief Executive Officer & Managing Director (w.e.f. 11th February, 2019)
3)	Utsav Parekh - Independent Director (w.e.f. 14th November 2018)	11)	Rahul Nayak - Whole-time Director (w.e.f. 14th November 2018)
4)	Pratip Chadhuri - Independent Director (w.e.f. 14th November 2018)	12)	Kumar Tanmay - Chief Financial Officer (w.e.f. 14th August 2019)
5)	Rekha Sethi - Independent Director (w.e.f. 14th November 2018)	13)	Arvind Kumar Vats - Chief Financial Officer (w.e.f. 14th November 2018 upto 1st July 2019)
6)	Debanjan Mandal - Independent Director (w.e.f. 11th February, 2019)	14)	Rama Kant - Company Secretary (w.e.f. 11th February, 2019)
7)	Sunil Bhandari - Director (upto 14th November 2018)	15)	Navin Kumar Rathi - Company Secretary (from 14th November 2018 upto 10th February 2019)
8)	Gautam Ray - Director (upto 14th November 2018)		

(b) Details of transactions entered into with the related parties: ₹ in Lakhs

	Entities under common control		Key Managerial Personnel	
Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019
Transactions :				
Sale of goods	440.15	110.36	-	-
Purchases of stock-in-trade	370.05	288.38	-	-
Rendering of services	1,447.22	801.59	-	-
Contribution for Gratuity fund	230.00	261.52	-	-
Receiving of services	14.67	-	-	-
Remittance of collection	22.45	-	-	-
Electricity expenses	208.19	170.14	-	-
Recovery of expenses incurred	29.79	458.88	-	-
Rent expenses	850.44	677.29	-	-
Security deposits paid	4.59	1.82	-	-
Security deposits received	-	1.93		
Short term employee benefits	-	-	799.45	143.46
Retirement benefits	-	-	30.31	14.35
Reimbursement of expenses	-	-	32.86	6.86
Sitting fees to directors	-	-	49.00	8.00

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

₹ in Lakhs

Balances outstanding :	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019
Balances outstanding :				
Receivable against sale of goods	186.84	3.13	-	-
Payable for purchases of stock-in-trade	81.87	42.68	-	-
Receivable against reimbursement	29.79	46.51	-	-
Payable for rental expenses	38.93	-	-	-
Payable for services received	60.67	163.86	-	-
Payable for Remittance of collection	22.45	-	-	-
Receivable for services rendered	-	288.51	-	-
Security deposit receivable	136.83	134.05	-	-
Security deposit payable	47.68	62.91	-	-

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.

(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.

38. Financial instruments - fair value measurements and risk management

(a) Accounting classification

The following table shows the carrying amounts and fair values of financial assets and financial liabilities:

₹ in Lakhs

	As at 31st March 2020				As at 31st March 2019			
	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**	-	-	1.00	**1.00**
- Alternative Investment Fund	-	2,343.14	-	**2,343.14**	-	1,275.21	-	**1,275.21**
- Government securities	31.92	-	-	**31.92**	-	-	-	**-**
- Mutual funds	-	-	-	**-**	-	983.39	-	**983.39**
Trade receivables	6,647.17	-	-	**6,647.17**	4,476.99	-	-	**4,476.99**
Cash and cash equivalents	8,096.99	-	-	**8,096.99**	2,826.95	-	-	**2,826.95**
Other bank balances	31.05	-	-	**31.05**	19,162.56	-	-	**19,162.56**
Loans	5,772.49	-	-	**5,772.49**	3,362.17	-	-	**3,362.17**
Other financial assets	408.55	-	-	**408.55**	318.62	-	-	**318.62**
Total financial assets	**20,988.17**	**2,350.50**	**1.00**	**23,339.67**	**30,147.29**	**2,258.60**	**1.00**	**32,406.89**
			-				-	
Financial liabilities								
Preference shares	94.43	-	-	**94.43**	85.47	-	-	**85.47**
Borrowings *	19,154.17	-	-	**19,154.17**	-	-	-	**-**
Trade payables	37,398.67	-	-	**37,398.67**	31,204.96	-	-	**31,204.96**
Other financial liabilities	2,577.11	-	-	**2,577.11**	2,134.94	-	-	**2,134.94**
Total financial liabilities	**59,224.38**	**-**	**-**	**59,224.38**	**33,425.37**	**-**	**-**	**33,425.37**

* Includes current maturities of long term borrowings

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

(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 mutual funds and alternative investment fund, the fair values represent net asset value as stated by the respective issuers 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 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 funds are carried out at such prices between investors and the issuers of these units.

(ii) The carrying value 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 amount and fair value is not expected to be significant. Non current borrowings including current maturity and loans (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 31st March 2020				As at 31st March 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments								
- Equity shares (unquoted)	-	-	8.36	8.36	-	-	1.00	1.00
- Alternative Investment Fund	-	-	2,343.14	2,343.14	-	-	1,275.21	1,275.21
- Mutual funds	-	-	-	-	983.39	-	-	983.39
	-	**-**	**2,351.50**	**2,351.50**	**983.39**	**-**	**1,276.21**	**2,259.60**

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 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. This is the case for unlisted equity securities included in Level 3.

(d) Reconciliation of fair value measurement of investments (categorised as level 3 above) classified as FVTPL / FVTOCI asset :

₹ in Lakhs

Particulars	FVTPL Equity shares (unquoted)	FVTPL Equity shares (unquoted)	FVTPL Alternative Investment Fund
As at 31st March 2018	**1.00**	**-**	**684.16**
Invested during the year	-	-	375.00
Proceeds during the year	-	-	(29.06)
Fair Value Gain/(loss) recognised in statement of Profit and Loss	-	-	245.11
As at 31st March 2019	**1.00**	**-**	**1,275.21**
Invested during the year	-	-	202.50
Acquired in a Business Combination [(refer note no. 42(ii) & 2.2(q)(i)]	-	7.36	-
Proceeds during the year	-	-	(14.32)
Fair Value Gain/(loss) recognised in statement of Profit and Loss	-	-	879.75
As at 31st March 2020	**1.00**	**7.36**	**2,343.14**

(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, loans, 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 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 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 institution. 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 into homogeneous groups and assessed for impairment collectively.

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.

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

(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 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, capital raised through rights issue, 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 amount	Within 1 year	1 to 5 years	More than 5 years	Total
As at 31st March 2020					
Preference shares	94.43	-	-	500.00	500.00
Borrowings	19,154.17	10,473.12	8,737.36	-	19,210.48
Trade payables	37,398.67	37,398.67	-	-	37,398.67
Lease Liabilities	65,725.90	13,845.13	43,730.11	39,293.75	96,868.99
Other financial liabilities	2,577.11	2,577.11	-	-	2,577.11
	1,24,950.28	**64,294.03**	**52,467.47**	**39,793.75**	**156,555.25**
As at 31st March 2019					
Preference shares	85.47	-	-	500.00	500.00
Trade payables	31,204.96	31,204.96	-	-	31,204.96
Other financial liabilities	2,134.94	2,134.94	-	-	2,134.94
	33,425.37	**33,339.90**	**-**	**500.00**	**33,839.90**

(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. The group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Exposure to interest rate risk

₹ in Lakhs

Particulars	As at 31st March 2020	As at 31st March 2019
Borrowings bearing variable rate of interest	19,210.48	-

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

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

	As at 31st March 2020	As at 31st March 2019
50 bp increase- decrease in profits	(96.05)	-
50 bp increase- increase in profits	96.05	-

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, and has complied with all loan covenants.

40. Going Concern

The Group has incurred a net loss after tax of ₹ 13,078.37 Lakhs for the year ended 31st March 2020 and its current liabilities, including current borrowings, exceeds current assets by ₹ 20,814.71 Lakhs. The Group is in the process of raising additional capital of ₹ 8,000.00 Lakhs through issue of equity shares on a rights basis. In addition to this, the Group has access to unutilised credit lines with its bankers and also additional capital from its promoters, if and when required. Further, the Group has been expanding its operations in its existing territory with increase in trading area, adding new private brand to its portfolio, building growth towards the non-food segments (including the own branded apparel) which has started showing growth. Apart from organic growth, the Group has also achieved in-organic growth through acquisitions, in order to increase 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. Additional information in respect of net assets and profit / (loss) of each entity within the group and their proportionate share:

	As at 31st March 2020		Year ended 31st March 2020		Year ended 31st March 2020		Year ended 31st March 2020	
	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 (formerly known as RP-SG Retail Limited)	144%	39,525.03	44%	(5,701.91)	242%	(141.80)	44%	(5,843.71)
Subsidiaries :								
1. Omnipresent Retail India Private Limited	1%	323.83	11%	(1,408.83)	-2%	1.40	11%	(1,407.43)
2. Natures Basket Limited (acquired on 4th July 2019)	-18%	(5,002.90)	53%	(6,931.40)	-140%	81.85	52%	(6,849.55)
Consolidation adjustment	-27%	(7,451.43)	-8%	963.77	0%	-	-7%	963.77
Total	**100%**	**27,394.53**	**100%**	**(13,078.37)**	**100%**	**(58.55)**	**100%**	**(13,136.92)**

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

42. Business combination

(i) The Group, in the financial statements for the year ended 31st March 2018, had given effect to the composite scheme of arrangement approved by Hon'ble National Company Law Tribunal (NCLT) (the appropriate authority), as applicable to the Group from the Appointed Date of 1st October, 2017.

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

The composite Scheme of Arrangement amongst the Company, CESC Limited (CESC) and eight other companies, including Spencer's Retail Ltd, and their respective shareholders has been made effective from 1st October, 2017 except for the demerger of the Generation Undertaking of CESC into Haldia Energy Limited (HEL), a wholly owned subsidiary of CESC (""the said Demerger"") . However, the said Demerger proposal has been withdrawn with effect from 14th November 2019 and HEL continues to be a wholly-owned subsidiary of CESC.

(ii) On 4th July 2019, the Company has acquired 100% stake (445,830,000 fully paid-up equity shares of ₹ 10 each) of Natures Basket Limited (NBL) from Godrej industries Limited, as a wholly owned subsidiary company at an enterprise value of ₹ 30,000.00 Lakhs settled through cash and takeover of outstanding debts. The Group has identified intangible assets, mainly brands, and recognised goodwill of ₹ 13,591.51 Lakhs as per Ind AS 103 - Business Combination.

The Financial Statements for the year ended 31st March 2020 includes the Financial Statements of Natures Basket Limited and hence are not comparable with the corresponding previous period.

(a) **Assets acquired and liabilities assumed**

The fair values of the identifiable assets and liabilities of Natures Basket Limited as at the date of acquisition (05th July 2019) were:

Fair values recognised on acquisition

	₹ in Lakhs
ASSETS	
Non-current assets	
Property, plant and equipment	4,730.27
Capital work-in-progress	132.22
Right-of-use assets	13,345.46
Other Intangible Assets	11,277.82
Financial Assets	
(i) Investments	31.04
(ii) Loans	988.67
(iii) Other financial assets	51.38
Tax assets (net)	74.03
Other assets	106.15
Total non-current assets	**30,737.04**
Current assets	
Inventories	2,512.20
Financial assets	
(i) Trade receivables	426.18
(ii) Cash and cash equivalents	369.57
(iii) Bank balances other than (ii) above	5.55
(iv) Loans	328.46
(v) Other financial assets	160.69
Other assets	1,421.43
Total current assets	**5,224.08**
TOTAL ASSETS	**35,961.12**

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

Fair values recognised on acquisition

	₹ in Lakhs
LIABILITIES	
Non-current liabilities	
Financial liabilities	
(i) Borrowings	7,522.22
(ii) Lease liabilities	10,108.51
Deferred Tax liabilities (net)	2,187.64
Provisions	54.40
Total Non Current Liabilities	**19,872.77**
Current liabilities	
Financial liabilities	
(i) Borrowings	2,014.40
(ii) Lease liabilities	2,763.12
(iii) Trade Payables	
- Total outstanding dues of Micro enterprise and small enterprises	126.41
- Total outstanding dues of creditors other than Micro enterprise and small enterprises	4,255.31
(iv) Other financial liabilities *	2,017.62
Other current liabilities	199.74
Provisions **	273.41
Total current liabilities	**11,650.01**
TOTAL LIABILITIES	**31,522.78**
Fair value of net assets at the time of acquisition (A)	**4,438.34**

* Includes ₹ 1,234.40 Lakhs on account of current maturity of long term borrowings.

** Includes ₹ 195.00 Lakhs on account of disputed tax liability.

(b) **Purchase consideration and mode of settlement**

	₹ in Lakhs
Consideration paid - fully in cash (net of refund)	17,438.04
Fair value of contingent consideration*	591.81
Total consideration (B)	**18,029.85**

* The Contingent consideration mainly pertains to the trade receivable and security deposit which is payable to seller, as and when realised. (within 1 year from the date of acquisition)

(c) **Goodwill on acquisition**

	₹ in Lakhs
Goodwill on acquisition (B-A)	**13,591.51**

(d) **Purchase consideration - Cash outflow**

	₹ in Lakhs
Outflow of cash to acquire a subsidiary (net of refund)	17,438.04
Less: Balance acquired	
Cash and cash equivalents	369.57
Net outflow of cash - Investment activities	**17,068.47**

Note :

The Group expects that the full contractual amount for trade receivable and security deposit will be collected.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the lease relative to market terms.

The goodwill of ₹ 13,591.51 lakhs comprises the value of expected synergies arising from the acquisition which is not separately recognised. None of the goodwill recognised is expected to be deductible for income tax purposes. Transaction costs have been expensed and are included in other expenses.

Notes to Consolidated Ind AS financial statements as at and for the year ended 31st March 2020

43. Impact of Covid -19

Due to outbreak of COVID-19 globally and in India, the Group has made initial 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 an essential service as emphasized by the Government of India. With the lockdown in force in the country, the ability of customers to reach the Group's stores is limited, in response of which the Group has launched alternate means and platforms for its customers to place orders and purchase their requirements. The Group has responded to the requirements of business and 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 Group's stores and warehouses. The Group's online business also has picked up significantly consequent to necessary technology upgradation. The Group has resumed normal operations from the first week of June 2020 for all verticals as permitted by the Government and Local/Regulatory authorities, with controlled movement, maintaining social distancing, taking appropriate hygiene measures and following the directions of regulatory authorities.

The Group has used the principle of prudence in applying judgments, estimates and assumptions. Based on the current assessment, the Group expects to majorly recover the carrying amount of trade receivables, investments and other financial assets and does not expects any impairment of intangibles. The actual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results.

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm registration number - 301003E/E300005

Kamal Agarwal
Partner
Membership number - 058652

For and on behalf of Board of Directors

Devendra Chawla
Chief Executive Officer and Managing Director
DIN: 03586196
Place : Gurugram

Shashwat Goenka
Director
DIN: 03486121
Place : Kolkata

Sanjiv Goenka
Chairman
DIN: 00074796
Place : Kolkata

Rahul Nayak
Whole-time Director
DIN: 06491536
Place : Mumbai

Rama Kant
Company Secretary
Place : Kolkata

Kumar Tanmay
Chief Financial Officer
Place : Mumbai

Place : Kolkata
Date : 29th June 2020

Date : 29th June 2020

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	26th September 2017	04th July 2019
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April to March, same as Holding Company	April to March, same as Holding Company (since new acquistion w.e.f. 5th July to 31st March)
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	5,654.66	49,258.00
5	Reserves and Surplus	(5,330.83)	(54,260.90)
6	Total Assets	635.11	22,301.65
7	Total Liabilities	311.28	27,304.55
8	Investments	-	39.28
9	Turnover	153.27	26,867.27
10	Loss before Taxation	(1,408.83)	(6,931.40)
11	Provision for Taxation	-	-
12	Profit after Taxation	(1,408.83)	(6,931.40)
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 : Gurugram

Shashwat Goenka
Director
DIN: 03486121
Place : Kolkata

Sanjiv Goenka
Chairman
DIN: 00074796
Place : Kolkata

Rahul Nayak
Whole-time Director
DIN: 06491536
Place : Mumbai
Date : 29th June 2020

Rama Kant
Company Secretary
Place : Kolkata

Kumar Tanmay
Chief Financial Officer
Place : Mumbai

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

REGISTERED OFFICE
Duncan House, 31 Netaji Subhas Road, Kolkata 700 001, India
Phone: (033) 2487 1091 / 6625 7600
CIN: L74999WB2017PLC219355
Email: spencers.secretaial@rpsg.in
Website: www.spencersretail.com