

INDEPENDENT AUDITORS' REPORT

To,

The Members of Hindustan Retail Private Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Hindustan Retail Private Limited ('the Company'), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss and the cash flow statement for the nine months period ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 31 March 2015 and its losses and its cash flows for the nine months period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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 and the cash flow statement dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and

(f) 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, in our opinion and to the best of our information and according to the explanations given to us:

i) the company does not have any pending litigations which would impact its financial position.

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 GUPTA GARG & AGRAWAL
CHARTERED ACCOUNTANTS
FRN 505762C**


**(B.B.GUPTA)
PARTNER
M. No. 012399**



Place: New Delhi
Date: 11th May, 2015

RE: Hindustan Retail Private Limited

Annexure referred to in paragraph 'Report on Other Legal and Regulatory Requirements' of our report of even date

The comments are in seriatim of the order

- (i) The company does not have any fixed assets, as such there are no comments on sub clauses a) and b).
- (ii) The company does not have any inventory; as such there are no comments on sub clauses a), b) and c).
- (iii) (a) The Company has granted unsecured loan to parties covered in the register maintained in pursuance of Section 189 of the Companies Act, 2013. In respect of loan granted, repayment of the principal amount is as stipulated and payment of interest has been regular.

(b) There is no overdue amount of loans granted to these parties.
- (iv) The company has adequate internal control system in commensuration with its size and nature of business. We did not observe any weakness in the internal control system.
- (v) The Company has not accepted any deposits from the public.
- vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance fund, income-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance fund, income-tax, wealth-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were outstanding at the period end, for a period of more than six months from the date they became payable.


(b) According to information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute.

(c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The company has been in existence for more than five years. The accumulated losses, on the date of balance sheet, in the company are more than 50% of its net worth. During the period company has suffered cash loss of Rs. 1277.27 Lacs as against Rs. 50.99 Lacs in the immediate preceding year.
- ix) The company does not have any loan from Bank, Financial Institutions or Debenture holders, and as such clause is not applicable.



- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company did not have any term loans outstanding during the period.
- (xii) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of audit.

For GUPTA GARG & AGRAWAL
CHARTERED ACCOUNTANTS
FRN 505762C


(B.B.GUPTA)
PARTNER
M. No. 012399



Place: New Delhi
Date: 11th May, 2015

Hindustan Retail Private Limited

Regd. Address: 19A & 19B, S Global Knowledge Park, Sector 125, Noida – 201301

CIN: U52100UP2007PTC033258

Balance Sheet as at March 31, 2015

Particulars	Notes	Figures as at 31-03-2015 Rs.	Figures as at 30-06-2014 Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	3,155,300,000	705,300,000
(b) Reserves and surplus	3	(3,137,800,686)	(87,206,506)
		17,499,314	618,093,494
Current liabilities			
(a) Short-term borrowings	4	108,851,222	1,952,215,207
(b) Other current liabilities	5	15,316,155	2,409,360
(c) Short term provisions	6	172,901	-
		124,340,278	1,954,624,567
TOTAL		141,839,592	2,572,718,061
ASSETS			
Non-current assets			
Non-current investments	7	-	2,443,867,037
Current assets			
(a) Cash and cash equivalents	8	12,619,053	455,159
(b) Short-term loans and advances	9	118,028,656	85,361,581
(c) Other current assets	10	11,191,883	43,034,284
		141,839,592	128,851,024
TOTAL		141,839,592	2,572,718,061
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For **GUPTA GARG & AGRAWAL**

Chartered Accountants

(B.B.Gupta)
Partner
M. No. 012399



Place: New Delhi
Date: 11 May 2015

For and on behalf of the Board of Directors

Madhusudan Venkatachary
Madhusudan Venkatachary
Director
DIN: 02650160

Hitesh Vyas
Hitesh Vyas
Chief Executive Officer

Meghraj Bothra
Meghraj Bothra
Director
DIN: 06966204

Rohit Kumar Ravi
Rohit Kumar Ravi
Chief Financial Officer

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Hindustan Retail Private Limited
 Regd. Address: 19A & 19B, S Global Knowledge Park, Sector 125, Noida – 201301
 CIN: U52100UP2007PTC033258
 Statement of Profit & Loss for the period ended March 31, 2015

Particulars	Notes	Figures for the	Figures for the year
		period ended 31-03-2015	ended 30-06-2014
		Rs.	Rs.
Income			
Other Income	11	8,231,082	5,422,938
		8,231,082	5,422,938
Expenses			
Employee benefits expenses	12	2,122,945	5,939,007
Finance costs	13	114,202,771	2,392,124
Other expenses	14	19,459,608	56,215,910
Total		135,785,324	64,547,041
Profit/(Loss) before exceptional and extraordinary items and tax			
Exceptional items	15	(127,554,242)	(59,124,103)
Profit/(Loss) before extraordinary items and tax		2,922,867,037	13,160,000
Extraordinary items		(3,050,421,279)	(72,284,103)
Profit / (Loss) before tax		-	-
Tax expenses (MAT)		(3,050,421,279)	(72,284,103)
Tax adjustment		172,901	(280,000)
Loss for the period/year		(3,050,594,180)	(72,004,103)
Earnings per equity share [nominal value of share Rs. 10 (30 June 2014: Rs. 10)]	16		
1) Basic		(39.27)	(1.021)
2) Diluted		(39.27)	(1.021)
Summary of significant accounting policies	1		


The accompanying notes are an integral part of the financial statements.

As per our report of even date
For Gupta Garg & Agrawal
 Chartered Accountants

(B.B.Gupta)
 Partner
 M. No. 012399

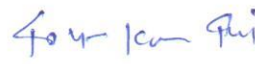


For and on behalf of the Board of Directors


Madhusudan Venkatachary
 Director
 DIN: 02650160


Hitesh Vyas
 Chief Executive Officer


Meghraj Bothra
 Director
 DIN: 06966204


Rohit Kumar Ravi
 Chief Financial Officer

Place: New Delhi
 Date: 11 May 2015



Hindustan Retail Private Limited
 Regd. Address: 19A & 19B, S Global Knowledge Park, Sector 125, Noida – 201301
 CIN: U52100UP2007PTC033258
 Cash Flow Statement for the period ended March 31, 2015

Particulars	31-Mar-15 Rs.	30-Jun-14 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(3,050,421,279)	(72,284,103)
Non-cash adjustment to reconcile profit before tax to net cash flows :		
Provision for dimunition in value of investment		
Provision for doubtful advances	2,922,867,037	13,160,000
Interest paid	-	53,744,509
Interest income	114,202,771	2,392,124
Operating Loss before working capital changes	(8,231,082)	(5,307,818)
Movements in working capital :	(21,582,553)	(8,295,288)
Increase/ (decrease) in other current liabilities		
Decrease / (increase) in short-term loans and advances	11,643,692	(81,794)
Decrease / (increase) in other current assets	(31,709,623)	(40,506,433)
Cash generated from / (used in) operations	37,000,000	-
Direct taxes paid (net of refunds)	(4,648,484)	(48,883,515)
Net cash flow from/ (used in) operating activities	(957,452)	(521,204)
A	(5,605,936)	(49,404,719)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of non-current investments		
Interest received	(479,000,000)	-
Net cash flow from/ (used in) investing activities	3,073,483	521,205
B	(475,926,517)	521,205
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of equity share capital		
Proceeds from short-term borrowings	2,450,000,000	-
Repayment of Short Term Borrowing	86,351,222	48,625,000
Interest paid	(1,929,715,207)	-
Net cash flow from/ (used in) in financing activities	(112,939,668)	(150,082)
C	493,696,347	48,474,918
Net increase/(decrease) in cash and cash equivalents	(A+B+C)	(408,596)
Cash and cash equivalents at the beginning of the period/year	12,163,894	863,755
Cash and cash equivalents at the end of the period/year	455,159	455,159
Components of cash and cash equivalents		
Cash on hand		
With banks- on current account	27,018	29,558
Total cash and cash equivalents (Note 8)	12,592,035	425,601
	12,619,053	455,159

Notes :

- The Cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statements notified by Companies (Accounts) Rules, 2014
 - Negative figures have been shown in brackets.
- Summary of significant accounting policies
 The accompanying notes are an integral part of the financial statements.

1

As per our report of even date

For GUPTA GARG & AGRAWAL
Chartered Accountants

(B.B.Gupta)
Partner
M. No. 012399



For and on behalf of the Board of Directors


Madhusudan Venkatachary
Director
DIN: 02650160


Meghraj Bothra
Director
DIN: 06966204


Hitesh Vyas
Chief Executive Officer


Rohit Kumar Ravi
Chief Financial Officer

Place: New Delhi
Date: 11 May 2015

1. SIGNIFICANT ACCOUNTING POLICIES

i) Corporate information

Hindustan Retail Private Limited is the holding company of three subsidiaries in INDIA and one subsidiary at Dubai. The main activity of the company is to overall look after affairs of the subsidiaries and arrange for them necessary funds and man-power.

ii) Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with rule 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous period.

iii) Changes in Accounting policies

The accounting policies adopted are consistent with those of previous financial year. The management assures that there has been no change in accounting policies as compared to that of previous year which would have any significant effect on these financials.

iv) Use of estimates

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

v) Revenue recognition

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

vi) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflect the impact of current period timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

vii) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit/loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for bonus element in a rights issue to existing shareholders.

For the purpose of calculating diluted earnings per share, the net profit/loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



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Hindustan Retail Private Limited
Regd. Address: 19A & 19B, S Global Knowledge Park, Sector 125, Noida – 201301
CIN: U52100UP2007PTC033258
Notes to financials statements for the period ended March 31, 2015

viii) **Provisions**

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

ix) **Investments**

Current investments are stated at lower of cost or fair value. Long term investments are valued at cost. Any decline, other than temporary, in the value of long term investments, is charged to statement of profit and loss.

x) **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized 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 recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

xi) **Events occurring after balance sheet date**

Adjustments to assets and liabilities are made for events occurring after balance sheet date that provide additional information materially affecting the determination of the amounts of the assets or liabilities relating to conditions existing at the balance sheet date.



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Hindustan Retail Private Limited
 Regd. Address: 19A & 19B, S Global Knowledge Park, Sector 125, Noida – 201301
 CIN: U52100UP2007PTC033258
 Notes to financial statements for the period ended March 31, 2015

Particulars	Figures as at 31-03-2015 Rs.	Figures as at 30-06-2014 Rs.
2. Share Capital		
Authorized shares		
325,000,000 (Previous year 75,000,000) Equity Shares of Rs. 10 each	3,250,000,000	750,000,000
Issued, subscribed and fully paid-up shares		
315,530,000 (Previous year 70,530,000) Equity Shares of Rs. 10 each	3,155,300,000	705,300,000
Total issued, subscribed and fully paid-up share capital	3,155,300,000	705,300,000

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period/year
 Equity shares

Particulars	No. of shares	Amount	No. of shares	Amount
At the beginning of the period/year				
Issued during the period	70,530,000	705,300,000	70,530,000	705,300,000
Bonus issue during the period/year	245,000,000	2,450,000,000	-	-
Outstanding at the end of the period/year	315,530,000	3,155,300,000	70,530,000	705,300,000

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

(c) Shares held by holding company

Out of equity shares issued by the company, shares held by its holding company are stated below:

Spice Mobility Limited (Formerly S Mobility Ltd.), the holding company	3,155,300,000	705,300,000
315,530,000 (Previous year 70,530,000) Equity Shares of Rs. 10 each		

(Out of above shares, 10 shares are held by Mrs. Veena Modi as nominee of Spice Mobility Limited)

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

NIL NIL

(e) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of Rs.10 each fully paid				
Spice Mobility Limited (Formerly S Mobility Ltd.), the holding company	315,530,000	100%	70,530,000	100%

(Out of above shares, 10 shares are held by Mrs. Veena Modi as nominee of Spice Mobility Limited)

(f) The above information (from (a) to (e)) is as per records of the company, including its register of shareholders/ members and other declarations received from shareholder regarding beneficial interest. The above shareholding represents both legal and beneficial ownerships of shares.

3. Reserves and Surplus

Deficit in the statement of profit and loss

Balance as per last financial statements	(87,206,506)	(15,202,402)
Loss for the period/year	(3,050,594,180)	(72,004,103)

Net deficit in the statement of profit and loss

(3,137,800,686) **(87,206,506)**

Total Reserves and Surplus

(3,137,800,686) **(87,206,506)**



Hindustan Retail Private Limited
 Regd. Address: 19A & 19B, S Global Knowledge Park, Sector 125, Noida – 201301
 CIN: U52100UP2007PTC033258
 Notes to financial statements for the period ended March 31, 2015

Particulars	Figures as at 31-03-2015 Rs.	Figures as at 30-06-2014 Rs.
4. Short-term borrowings		
i) Spice Mobility Limited (Formerly S Mobility Limited)	-	1,919,715,207
ii) Spice Digital Limited	78,851,222	32,500,000
iii) Spice Labs Pvt Ltd.	30,000,000	-
	108,851,222	1,952,215,207
5. Other current liabilities		
Audit fees payable	99,801	67,534
TDS payable	11,520,584	-
Other expenses payable	190,625	99,784
Interest Payable	3,505,145	2,242,042
	15,316,155	2,409,360
6. Short term provisions		
Provision for Income Tax	172,901	-
	172,901	-
7. Non-Current Investments		
In Subsidiaries		
Unquoted - Fully Paid Up Equity Shares of Face value Rs. 10/- each		
8,39,23,139 (4,39,23,139) Spice Retail Limited	2,823,767,037	2,423,767,037
99,10,000 (20,10,000) Spice Online Retail Pvt. Ltd.	99,100,000	20,100,000
Fully paid up shares of face value AED 10,00,000 each		
1 (1) S Retail Middle East FZE	13,160,000	13,160,000
	2,936,027,037	2,457,027,037
Less :- Provision for diminution in value of investment	2,936,027,037	13,160,000
	-	2,443,867,037
Aggregate value of Unquoted Shares	-	2,443,867,037



Hindustan Retail Private Limited
 Regd. Address: 19A & 19B, S Global Knowledge Park, Sector 125, Noida – 201301
 CIN: U52100UP2007PTC033258
 Notes to financial statements for the period ended March 31, 2015

Particulars	Figures as at 31-03-2015 Rs.	Figures as at 30-06-2014 Rs.
8. Cash and cash equivalents		
Balances with banks:		
On current accounts	12,592,035	425,601
Cash on hand	27,018	29,558
	<u>12,619,053</u>	<u>455,159</u>
9. Short term loans and advances		
Unsecured considered good;		
Loans and advances to related parties (subsidiaries)		
i) Spice Retail Limited	116,550,000	43,300,000
ii) S Retail Middle East FZE	53,744,509	54,184,886
iii) Spice Online Retail Pvt. Ltd.	-	41,100,000
	<u>170,294,509</u>	<u>138,584,886</u>
Less:- Provision against doubtful advances (S Retail Middle East FZE)	53,744,509	53,744,509
	<u>116,550,000</u>	<u>84,840,377</u>
TDS Recoverable	1,478,656	521,204
	<u>118,028,656</u>	<u>85,361,581</u>
10. Other Current Assets		
Share application money paid to subsidiary company :		
- Spice Online Retail Pvt Ltd.	-	37,000,000
Interest receivable	11,191,883	6,034,284
	<u>11,191,883</u>	<u>43,034,284</u>
Due from directors or officers of the company	NIL	NIL
Contingent liabilities & commitments		
(1) Contingent Liabilities		
a) Claims against the company not acknowledged as debts		
b) Guarantees	NIL	NIL
c) other money for which company is contingently liable	NIL	NIL
(2) Commitments		
a) Estimated amounts of contracts to be executed on capital account not provided for		
b) Uncalled liability on partly paid shares	NIL	NIL
c) Other commitments	NIL	NIL



Hindustan Retail Private Limited
 Regd. Address: 19A & 19B, S Global Knowledge Park, Sector 125, Noida – 201301
 CIN: U52100UP2007PTC033258

Notes to Financial Statements for the period ended March 31, 2015

Particulars	Figures for the period ended 31-03-2015	Figures for the year ended 30-06-2014
	Rs.	Rs.
11. Other Income		
Interest Income	8,231,082	5,307,818
Excess provision written back	-	115,120
	<u>8,231,082</u>	<u>5,422,938</u>
12. Employee benefits expense		
Salaries, wages and bonus	2,122,945	5,939,007
	<u>2,122,945</u>	<u>5,939,007</u>
13. Finance cost		
Interest on loan	114,202,771	2,392,124
	<u>114,202,771</u>	<u>2,392,124</u>
14. Other expenses		
Rates and taxes	18,774,754	102,263
Provision against doubtful advances	-	53,744,509
Payment to auditor (Refer details below)	95,506	171,349
Travelling and conveyance	263,437	1,273,093
Legal and professional fees	309,298	40,838
Telephone Expenses	11,450	26,990
Foreign Exchange Fluctuation loss	-	709,219
Bank charges	-	21,811
Other Expenses	5,163	125,838
	<u>19,459,608</u>	<u>56,215,910</u>
Payment to auditors :		
Audit fee	44,944	44,944
Tax accounts fee	28,090	28,090
Limited review	22,472	33,708
In other capacity:	-	64,607
Other services	-	-
	<u>95,506</u>	<u>171,349</u>
15. Exceptional Item		
Provision for diminution in value of Investment	2,922,867,037	13,160,000
	<u>2,922,867,037</u>	<u>13,160,000</u>
16. Earnings per share (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Loss for the period/year	(3,050,594,180)	(72,004,103)
Weighted average number of equity shares in calculating basic EPS	77,683,285	70,530,000
Basic earning per share	<u>(39.27)</u>	<u>(1.02)</u>
Weighted average number of equity shares in calculating diluted EPS	77,683,285	70,530,000
Diluted earning per share	<u>(39.27)</u>	<u>(1.02)</u>



Hindustan Retail Private Limited

Regd. Address: 19A & 19B, S Global Knowledge Park, Sector 125, Noida – 201301

CIN: U52100UP2007PTC033258

Notes to Financial Statements for the period ended March 31, 2015

Additional Notes:

- 17 Previous year's figures were for twelve months period ended June 30, 2014, whereas current period's figures are for nine months period ended March 31, 2015. Hence, the current period's figures are not strictly comparable with those of the previous year's. Previous year figures have been regrouped / reclassified, where necessary, to conform to this period's classification.
- 18 As per the guidance note issued by ICAI on Accounting Standard AS - 22 " Taxes on Income" , deferred tax assets should be recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In view of losses in the current year as well as in the immediate preceding year and uncertainty of future profits, DTA has not been recognised in the books of account.

19 Disclosure required under Sec 186(4) of the Companies Act 2013

As required under section 186(4) of the companies Act, 2013, particulars of loans and advances and investments are disclose below.

Details of loans and advances given :

Name of the Party	Rate of Interest	Due date	Secured/ unsecured	Loan during the period
Spice Retail Limited	11.00%	Refer Below	Unsecured	75,500,000

The loan given to Spice Retail Limited is for meeting working capital requirements. The loan is repayable till June 30, 2015 or an earlier demand by the Company.

Details of Investments made (At cost):

Name of the Party	Investments made during the period	Share Issue
Spice Retail Limited	400,000,000	40,000,000
Spice Online Retail Pvt Ltd.	79,000,000	7,900,000

- 20 The Company being a Non-Small and Medium Company, therefore, has complied with all the notified applicable Accounting Standards.

	Current period	Previous year
21 Value of Import on CIF Basis	Nil	Nil
22 Earnings in Foreign Exchange	Nil	Nil
23 Outflow of Foreign Currency (AED)	Nil	Rs.2,14,15,652

24 Related Party Disclosures

a) Name of the Related Parties

i) Ultimate Holding Company

Smart Global Corporate Holding Pvt. Ltd. (Formerly known as Spice Global Investments Pvt. Ltd) (Holding company of Smart Ventures Pvt. Ltd.)

ii) Holding Company

Spice Mobility Ltd. (formerly known as S Mobility Limited)
Smart Ventures Pvt. Ltd. (Formerly known as Smart Venture Ltd.) (Holding company of Spice Mobility Limited)

iii) Subsidiary Company

Spice Retail Limited
S Retail Middle East FZE
Cellucom Retail India Pvt Ltd.
Spice Online Retail Pvt. Ltd.

iv) Fellow Subsidiaries with whom transactions has taken place during the period

Spice Digital Ltd.
Spice Labs Pvt. Ltd.

v) Name of the other related parties with whom transactions have taken place during the period- NIL

b) Related party transactions attached as Annexure-1

As per our attached report of even date.

For Gupta Garg & Agrawal
Chartered Accountants

(B.B.Gupta)
Partner
M. No. 012399

Place: New Delhi
Date: 11 May 2015



For and on behalf of the Board of Directors

Madhusudan Venkatachary
Madhusudan Venkatachary
Director
DIN: 02650160

Hitesh Vyas
Hitesh Vyas
Chief Executive Officer

Meghraj Bothra
Meghraj Bothra
Director
DIN: 06966204

Rohit Kumar Ravi
Rohit Kumar Ravi
Chief Financial Officer

Annexure-1

Particulars	Holding Company			Subsidiaries			Fellow Subsidiaries			Total		
	2014-15		2013-14	2014-15		2013-14	2014-15		2013-14	2014-15		2013-14
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
(A) Transactions												
Share Capital												
Spice Mobility Limited	2,450,000,000	-	-	-	-	-	-	-	-	-	2,450,000,000	-
Investment												
Spice Retail Limited	-	-	400,000,000	-	-	-	-	-	-	-	400,000,000	-
Spice Online Retail Pvt Ltd.	-	-	79,000,000	-	-	-	-	-	-	-	79,000,000	-
Share Application Money received back												
Spice Online Retail Pvt Ltd.	-	-	37,000,000	-	-	-	-	-	-	-	37,000,000	-
Loans & Advances Given												
Spice Retail Limited	-	-	75,500,000	-	-	32,500,000	-	-	-	-	75,500,000	32,500,000
S Retail Middle east FZE	-	-	-	-	20,706,433	-	-	-	-	-	-	20,706,433
Spice Online Retail Pvt. Ltd.	-	-	-	-	30,500,000	-	-	-	-	-	-	30,500,000
Repayment of Loans & Advances												
Spice Retail Limited	-	-	2,250,000	-	-	19,200,000	-	-	-	-	2,250,000	19,200,000
S Retail Middle east FZE	-	-	440,377	-	-	-	-	-	-	-	440,377	-
Spice Online Retail Pvt. Ltd.	-	-	41,100,000	-	-	24,000,000	-	-	-	-	41,100,000	24,000,000
Short Term Borrowing												
Spice Mobility Limited	-	-	40,125,000	-	-	-	-	-	-	-	-	40,125,000
Spice Digital Limited	-	-	-	-	-	-	56,351,222	32,500,000	-	-	56,351,222	32,500,000
Spice Labs Pvt Ltd	-	-	-	-	-	-	30,000,000	-	-	-	30,000,000	-
Repayment of Short Term Borrowings												
Spice Mobility Limited	1,919,715,207	24,000,000	-	-	-	-	-	-	-	-	1,919,715,207	24,000,000
Spice Digital Limited	-	-	-	-	-	-	10,000,000	-	-	-	10,000,000	-
Reimbursement of Expenses Given												
Spice Retail Limited	-	-	1,250,000	-	-	6,500,000	-	-	-	-	1,250,000	6,500,000
Interest Income												
Spice Retail Limited	-	-	5,879,937	-	-	5,307,817	-	-	-	-	5,879,937	5,307,817
Spice Online Retail Pvt Ltd.	-	-	2,351,145	-	-	-	-	-	-	-	2,351,145	-
Finance Cost												
Spice Mobility Limited	108,976,710	-	-	-	-	-	-	-	-	-	108,976,710	-
Spice Digital Limited	-	-	-	-	-	-	4,478,664	2,392,124	-	-	4,478,664	2,392,124
Spice Labs Pvt Ltd	-	-	-	-	-	-	747,397	-	-	-	747,397	-
(B) Outstanding at the end of the period/year												
Loans & Advances												
Spice Retail Limited	-	-	116,550,000	-	-	43,300,000	-	-	-	-	116,550,000	43,300,000
S Retail Middle east FZE	-	-	53,744,509	-	-	54,184,886	-	-	-	-	53,744,509	54,184,886
Spice Online Retail Pvt Ltd.	-	-	-	-	41,100,000	-	-	-	-	-	-	41,100,000
Short Term Borrowing												
Spice Mobility Limited	-	-	1,919,715,207	-	-	-	-	-	-	-	1,919,715,207	-
Spice Digital Limited	-	-	-	-	-	-	78,851,222	32,500,000	-	-	78,851,222	32,500,000
Spice Labs Pvt Ltd	-	-	-	-	-	-	30,000,000	-	-	-	30,000,000	-
Share Application money												
Spice Online Retail Pvt Ltd.	-	-	-	-	-	37,000,000	-	-	-	-	-	37,000,000
Interest Receivables												
Spice Retail Limited	-	-	11,191,883	-	-	6,034,284	-	-	-	-	11,191,883	6,034,284
Interest Payable												
Spice Digital Limited	-	-	-	-	-	-	2,832,488	2,242,042	-	-	2,832,488	2,242,042
Spice Labs Pvt Ltd	-	-	-	-	-	-	672,657	-	-	-	672,657	-



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