

INDEPENDENT AUDITOR'S REPORT

To,

The Members of Cellucom Retail India Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Cellucom Retail India Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017 and the statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory Information.

Management's Responsibility for the 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 of these Ind AS financial statement that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance), 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) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the company and for preventing and detecting fraud 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 Ind AS 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 Ind AS financial statements based on our audit. We have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in audit report under the provision of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain the audit evidence about the amounts and the disclosure in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 Ind AS 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 Ind AS financial statements.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements gives 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

The Ind AS financial statements indicate that the net worth of the company almost fully eroded as its carry over losses are Rs. 4993.22 lacs as against its paid up capital of Rs 5000.00 lacs. During the year the company has suffered net cash losses of Rs. 1631.75 lacs as against Rs. 347.18 lacs in immediately preceding year.

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 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 purpose 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, 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 Ind As financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representation received from the directors as on 31st March, 2017 taken on record by the board of directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) with respect to the adequate internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report; and
 - g) 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 has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 25 to the 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 has been no amounts which are required to be transferred to the Investor Education and Protection Fund by the company.
- iv) The Company did not have any holdings or dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. So disclosure requirement as envisaged in notification G.S.R 308(E), dated March 30, 2017 is not applicable to the Company.

For GUPTA GARG & AGRAWAL
CHARTERED ACCOUNTANTS
FRN 505762C

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



Place: Delhi

Date : 11.05.2017

RE: Cellucom Retail India Private Limited

ANNEXURE "1" REFERRED TO IN PARAGRAPH OF OUR REPORT OF EVEN DATE

The comments are in seriatim of the order:

- (i) (a) The Company is maintaining proper records of its Fixed Assets showing full particulars including quantitative details and situation thereof.
- (b) All fixed assets were physically verified by the management during the previous year in accordance with a planned programme of verifying them once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) As per books of accounts verified by us and according to the information and explanations given by the management the company does not have immovable properties and as such the sub clause is not applicable.
- (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 and reported to us.
- (iii) As per the information and explanations given to us and certified by the management and verified from the books of account, the company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained in pursuance of Section 189 of the Companies Act, 2013, as such there are no comments on sub clauses a), b) and c).
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act 2013 are applicable hence there are no comments in this regard..
- (v) The Company has not accepted any deposits from the public and as such the clause is not applicable.
- (vi) To the best of our knowledge and as per information and explanations given to us by the management, the central government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance fund, income-tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material 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 fund, income-tax, sales 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.
- (c) According to information and explanations given to us, there are no dues of income tax, sales 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.
- (viii) The Company does not have any loan from Bank, Institutions or Debenture holders, and as such clause is not applicable.



- (ix) As per the information and explanations given to us by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, there are no comments in this regard.
- (x) To the best of our knowledge and according to the information and explanations given to us no fraud by the company and no material fraud on the company has been noticed and reported during the year.
- (xi) In the absence of payment of managerial remuneration as per the provisions of Section 197 read with Schedule V of the Act, the clause is not applicable.
- (xii) The clause is not applicable as the company is not a 'Nidhi Company'.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and 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 wherever applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) As per the information and explanations given to us and on overall examination of the records, we noted that 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 the clause is not applicable.
- (xv) As per 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.
- (xvi) As per 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 GUPTA GARG & AGRAWAL
CHARTERED ACCOUNTANTS
FRN 505762C

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



Place: Delhi

Date: *11.05.2017*

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CELLUCOM RETAIL INDIA PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (f) 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 Cellucom Retail India Private Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS 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 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, both 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 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Ind AS 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting 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

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 GUPTA GARG & AGRAWAL
CHARTERED ACCOUNTANTS
FRN 505762C**

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



Place: Delhi

Date: 11.05.2017

Cellucom Retail India Private Limited
CIN: U32202DL2006PTC153361
Regd. Address: B-1/628, Plot No. 628, B-1 Block, Pankha Road, Janakpuri, New Delhi-110058
Balance Sheet as at March 31, 2017

Particulars	Notes	31-Mar-17 Rs.	31-Mar-16 Rs.	01-Apr-15 Rs.
Assets				
Non-current assets				
Property, Plant and Equipment	3	-	53,29,034	77,52,434
Financial Assets				
Other Financial Assests	4	-	88,14,086	63,77,778
Other non-current assets	5	-	4,58,105	1,64,430
		-	1,46,01,226	1,42,94,642
Current assets				
Inventories	6	-	1,51,10,631	3,00,30,172
Financial Assets				
Trade receivables	7	-	7,84,826	7,63,94,846
Cash and bank balances	8A	-	21,95,823	58,23,550
Other Bank Balances	8B	-	4,11,142	1,73,470
Other Financial Assests	4	-	45,38,998	99,71,052
Current Tax Assets	9	-	47,622	4,43,848
Other current assets	5	-	65,47,233	63,34,078
Assets directly associated with discontinued business	10	29,76,318	-	-
		29,76,318	2,96,36,275	12,91,71,016
TOTAL		29,76,318	4,42,37,501	14,34,65,658
Equity and Liabilities				
Shareholders' funds				
Share capital	11	50,00,00,000	50,00,00,000	50,00,00,000
Other Equity	SOCE	(49,93,22,575)	(67,24,93,891)	(63,27,79,888)
		6,77,425	(17,24,93,891)	(13,27,79,888)
Non-current liabilities				
Current liabilities				
Financial Liabilities				
Trade payables	12	-	21,11,17,451	26,60,87,076
Other Financial liabilities	13	-	47,51,725	56,10,116
Other current liabilities	14	-	5,32,716	41,97,866
Short-term provisions	15	-	3,29,500	3,50,488
Liabilities directly related to discontinued business	10	22,98,892	-	-
		22,98,892	21,67,31,392	27,62,45,546
TOTAL		29,76,317	4,42,37,501	14,34,65,658
Summary of significant accounting policies	2.1			

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

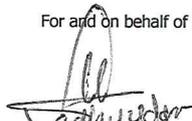
As per our report of even date

For Gupta Garg & Agrawal
Chartered Accountants
ICAI Firm's Registration No. 505762C

(B. B. Gupta)
 Partner
 Membership No.: 012399



For and on behalf of the Board of Directors of Cellucom Retail India Private Limited


Madhusudan Venkatachary
 Director
 DIN: 02650160


Subhasish Mohanty
 Director
 DIN: 05329000

Place: *Delhi*
 Date: *11.05.2017*

Cellucom Retail India Private Limited
CIN: U32202DL2006PTC153361
Regd. Address: B-1/628, Plot No. 628, B-1 Block, Pankha Road, Janakpuri, New Delhi-110058
Statement of Profit & Loss for the year ended March 31, 2017

Particulars	Notes	31-Mar-17 Rs.	31-Mar-16 Rs.
Income			
Other income		-	-
Total revenue		-	-
Expenses			
Other expenses		-	-
Total Expenses		-	-
Profit/(Loss) for the year from continuing operations		-	-
Discontinued operations :			
Profit/(Loss) before tax for the year from discontinued operations	10A	(16,37,23,651)	(3,97,75,534)
Profit/(Loss) for the year		(16,37,23,651)	(3,97,75,534)
Other Comprehensive Income		-	61,531
		(16,37,23,651)	(3,97,14,003)
Earnings per equity share for discontinued operations [nominal value of share Rs. 10 (31 March 2016: Rs. 10)]			
	16		
Basic and diluted		3.27	(0.80)

Summary of significant accounting policies

2.1

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

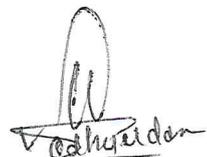
As per our report of even date

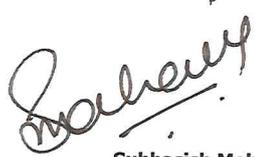
For Gupta Garg & Agrawal
Chartered Accountants
ICAI Firm's Registration No. 505762C

(B. B. Gupta)
 Partner
Membership No.: 012399



For and on behalf of the Board of Directors of Cellucom Retail India Private Limited


Madhusudan Venkatachary
 Director
 DIN: 02650160


Subhasish Mohanty
 Director
 DIN: 05329000

Place: *Delhi*
 Date: *11.05.2017*

Cellucom Retail India Private Limited

CIN: U32202DL2006PTC153361

Regd. Address: B-1/628, Plot No. 628, B-1 Block, Pankha Road, Janakpuri, New Delhi-110058

Cash Flow statement for the year ended March 31, 2017

	31-Mar-17 Rs.	31-Mar-16 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	16,37,23,651	(3,97,75,534)
Adjustments to reconcile net profit to net cash provided by operating activities		
Exceptional items	(16,88,47,038)	-
Depreciation/ amortization	5,48,634	50,57,576
(Profit) on sale of fixed assets	(27,877)	(53,061)
Credit Balances written back	(1,16,618)	-
Re-measurement gain/loss on defined benefit obligation recognised as OCI	-	61,531
Bad debts / advances written off	1,93,979	6,56,782
Interest expense	24,485	520
Interest (income)	(65,330)	(2,69,358)
Operating (loss) before changes in assets and liabilities	(45,66,114)	(3,43,21,544)
Changes in assets and liabilities :		
(Decrease)/Increase in trade payables	(2,92,08,793)	(5,49,69,625)
(Decrease)/Increase in short-term provisions	(46,620)	(20,988)
(Decrease)/Increase in other current Financial liabilities	(16,42,202)	(6,63,729)
(Decrease)/Increase in other current liabilities	(1,08,837)	(36,65,150)
Decrease/(Increase) in trade receivables	44,779	7,56,10,020
Decrease/(Increase) in inventories	(25,34,064)	1,49,19,541
(Increase) / Decrease in Other long-term Financial Assets	17,30,362	(24,64,416)
Decrease / (increase) in other non-current assets	4,58,105	(2,93,675)
Decrease/(Increase) in short-term loans and advances	(1,93,979)	(6,56,782)
Decrease / (increase) in other Financial current assets	7,13,910	54,32,054
Decrease / (increase) in other current assets	(12,25,985)	(2,13,155)
Cash (used in) operations	(3,65,79,438)	(13,07,450)
Direct taxes paid (net of refunds)	45,867	3,96,226
Net cash flow (used in) operating activities	A	(3,65,33,571)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including CWIP and capital advances	(22,91,176)	(28,88,866)
Proceeds from sale of fixed assets	88,401	1,13,089
Investments in bank deposits (having original maturity of more than three months)	-	(2,37,672)
Interest received	65,330	2,97,466
Net cash flow (used in) investing activities	B	(21,37,445)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of equity share capital	-	-
Proceeds from short-term borrowings	4,00,00,000	-
Repayment of short-term borrowings	-	-
Interest paid	(24,485)	(520)
Net cash flow from/ (used in) financing activities	C	3,99,75,515
Net (decrease) in cash and cash equivalents (A + B + C)	A+B+C	(36,27,727)
Cash and cash equivalents at the beginning of the year/period	21,95,823	58,23,550
Cash and cash equivalents transferred pursuant to Slum Sale	(22,96,738)	-
Cash and cash equivalents at the end of the year/period	12,03,584	21,95,823
Components of cash and cash equivalents		
Cash on hand	-	3,78,291
With banks- on current accounts	12,03,584	18,17,532
With banks- on deposit accounts	-	-
Total cash and cash equivalents	12,03,584	21,95,823

Notes :

- The Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 on Cash Flow Statements notified by Companies (Indian Accounting Standards) Rules, 2015.
- Negative figures have been shown in brackets.

Summary of significant accounting policies
The accompanying notes are an integral part of the financial statements.
As per our report of even date

For Gupta Garg & Agrawal
Chartered Accountants
ICAI Firm's Registration No. 505762C

(B. B. Gupta)
Partner
Membership No.: 012399



2.1

For and on behalf of the Board of Directors of Cellucom Retail India Private Limited

Madhusudan Venkatachary
Director
DIN: 02650160

Subhasish Mohanty
Director
DIN: 05329000

Place:
Date:

Delhi
11.05.2017

Cellucom Retail India Private Limited
Regd. Address: B-1/628, Plot No. 628, B-1 Block, Pankha Road, Janakpuri, New Delhi-110058
CIN: U32202DL2006PTC153361
Statement of changes in Equity(SOCE)

Particulars	31-Mar-17 Rs.	31-Mar-16 Rs.	01-Apr-15 Rs.
A. Equity Share Capital			
Equity Shares of INR Rs. 10 each issued, subscribed and fully paid up			
Number of shares	5,00,00,000	5,00,00,000	5,00,00,000
Equity Share Capital	50,00,00,000	50,00,00,000	50,00,00,000
Total	50,00,00,000	50,00,00,000	50,00,00,000
B. Other equity			
Securities premium account			
Balance as per the last financial statements	84,78,00,000	84,78,00,000	84,78,00,000
Add: received during the year/period	-	-	-
Closing Balance	84,78,00,000	84,78,00,000	84,78,00,000
Other Comprehensive Income			
Opening	61,531	-	-
Add: received during the year/period	-	61,531	-
Closing Balance	61,531	61,531	-
Capital Reserve			
Balance as per the last financial statements	-	-	-
Add: received during the year/period	94,47,665	-	-
Closing Balance	94,47,665	-	-
Deficit in the statement of profit and loss			
Balance as per last financial statements	(1,52,03,55,422)	(1,48,05,79,888)	(1,44,72,04,640)
Loss for the year/period	16,37,23,651	(3,97,75,534)	(3,33,75,248)
Net deficit in the statement of profit and loss	(1,35,66,31,771)	(1,52,03,55,422)	(1,48,05,79,888)
Total reserves and surplus	(49,93,22,575)	(67,24,93,891)	(63,27,79,888)

Summary of significant accounting policies

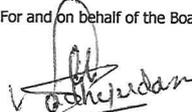
2.1

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

As per our report of even date

For Gupta Garg & Agrawal
Chartered Accountants
ICAI Firm's Registration No. 505762C
(B. B. Gupta)
Partner
Membership No.: 012399



For and on behalf of the Board of Directors of Cellucom Retail India Private Limited

Madhusudan Venkatachary
Director
DIN: 02650160


Subhasish Mohanty
Director
DIN: 05329000

Place: **Delhi**
Date: **11.05.2019**

Statement of Compliance:

In accordance with the notification issued by the Ministry of Corporate Affairs, the company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Previous year figures in the financial statements have been restated to Ind AS.

1. Corporate information

The financial statements comprise financial statements of Cellucom Retail India Private Limited ("the Company") for the year ended March 31, 2017. The Company is a private company situated in India and incorporated under the provisions of the Companies Act, 1956. The Company was engaged in the business of trading in mobile handsets and related accessories through accessories through a chain of retail outlets across India.

During the year, the retail business has been sold by way of Slump Sale to another group entity Hotspot Sales & Solutions Private Limited ("HSSPL"). The slump sale was effective June 1, 2016. Refer Note 10A for further information.

2. Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) under historical cost convention on the accrual basis. The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with Ind AS.

The financial statements are presented in INR and all values are rounded to the nearest rupee, except where otherwise indicated.

2.1 Summary of significant accounting policies

A. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in Company's normal operating cycle
- Held primarily for the purpose of trading
- 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 Company's normal operating cycle
- It is held primarily for the purpose of trading
- 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 Company classified all other liabilities as non-current.

The Company's operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

B. Foreign currencies

The Company's financial statements are presented in INR, which is also Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's at currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI (other comprehensive income) or profit or loss are also recognised in OCI or profit or loss, respectively).

C. Fair value measurement

The Company measures financial instruments, such as, derivatives 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 fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable



- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

D. Non-current assets held for sale and discontinued operations

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell, except for assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Discontinued operation are excluded from the results of continuing operations and are presented as profit or loss before / after tax from discontinued operation in the statement of profit and loss.

E. Property, plant and equipment

The Company has elected to continue with the carrying value for all of its property plant & equipment, as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2015.

Capital work in progress, property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Repair and maintenance costs are recognised in profit or loss as incurred.

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.

F. Depreciation on Property, plant and equipment

The Company has depreciated its property, plant & equipments in accordance with useful life prescribed in Schedule II to the Companies Act, 2013 except in case of Mobile phones covered under office equipments and Furniture & fittings, which are depreciated after assuming useful life as 2 years and 8 years. The management assessed the useful life of mobile phones, furniture & fittings and believes that this estimated useful life is realistic and reflect fair approximation of the period over which the assets are likely to be used.

Leasehold improvements are amortised over 3 years or unexpired lease period, whichever is earlier. Assets costing Rs. 5,000 or less each are depreciated fully within one year from the date of acquisition.

Accelerated depreciation on leasehold improvements/ furnitures and fixtures related to stores/ warehouses under closure is calculated over the notice period of respective lease of the leased premises.

H. Leases

Where the Company is the lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that retains substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

I. Borrowing costs

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. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.



J. Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

K. Inventories

Inventories are valued as follows:

Traded goods and promotional items are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

L. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. 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 and volume rebates.

Sale of Services

Revenue is recognized as and when the services are rendered.

Interest

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

M. Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

N. Retirement and other employee benefits

a. Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.



The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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.

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

O. Taxes

Current income 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 in India, where the Company operates and generates taxable income.

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). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly 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 using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting 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 reassessed 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 assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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.

P. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit/loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year 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.

Q. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.



R. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- 1) Debt instruments at amortised cost
- 2) Debt instruments at fair value through other comprehensive income (FVTOCI)
- 3) Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- 4) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' 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.

This category is the most relevant to the Company. 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. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading.

For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by - instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Presently, Company does not hold any investment in equity instruments.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) 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.



When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. 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 recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables and all other financial with no significant financing component is measured at an amount equal to 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured for specific assets. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

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.

The Company's financial liabilities include trade and other payables, loans and borrowings and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the 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.

This category generally applies to borrowings. For more information refer Note 17.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

S. 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.

T. Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above as they are considered an integral part of the Company's cash management.

U. Cash flow statement

Cash flows are reported using indirect method, whereby profits 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.



Cellucom Retail India Private Limited

CIN: U32202DL2006PTC153361

Regd. Address: B-1/628, Plot No. 628, B-1 Block, Pankha Road, Janakpuri, New Delhi-110058

Notes to financial statements for the year ended March 31, 2017

3. Tangible Assets

	Amount in Rupees				
	Lease Hold Improvements	Office Equipments	Furniture and Fixtures	Computers	Total
Gross Block					
At 01.04.2015	29,15,734	10,42,885	33,42,661	4,51,154	77,52,434
Additions	18,60,264	2,55,528	4,94,212	84,200	26,94,204
Deletions/ Adjustments	-	60,028	-	-	60,028
At 31.03.2016	47,75,998	12,38,385	38,36,873	5,35,354	1,03,86,610
Additions	-	-	23,730	-	23,730
Deletions/ Adjustments	1,692	58,832	-	-	60,524
Transferred pursuant to Slump Sale	47,74,306	11,79,553	38,60,603	5,35,354	1,03,49,816
At 31.03.2017	-	-	-	-	-
Depreciation					
At 01.04.2015	-	-	-	-	-
For the period	27,51,333	4,51,088	16,51,824	2,03,331	50,57,576
Deletions / Adjustments	-	-	-	-	-
At 31.03.2016	27,51,333	4,51,088	16,51,824	2,03,331	50,57,576
For the year	2,94,256	49,544	1,72,450	32,385	5,48,635
Deletions / Adjustments	-	-	-	-	-
Transferred pursuant to Slump Sale	30,45,589	5,00,632	18,24,274	2,35,716	56,06,211
At 31.03.2017	-	-	-	-	-
Net Block					
At 31.03.2016	20,24,665	7,87,297	21,85,049	3,32,023	53,29,034
At 31.03.2017	-	-	-	-	-



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Notes to financial statements for the year ended March 31, 2017

Particulars	Non-current			Current		
	31-Mar-17 Rs.	31-Mar-16 Rs.	1-Apr-15 Rs.	31-Mar-17 Rs.	31-Mar-16 Rs.	1-Apr-15 Rs.
4. Other Financial Assets						
Security deposit						
Unsecured, considered good	-	82,53,775	56,57,084	-	35,89,864	90,05,479
Doubtful	-	-	-	-	1,79,625	1,79,625
	-	82,53,775	56,57,084	-	37,69,489	91,85,104
Provision for doubtful security deposit	-	-	-	-	(1,79,625)	(1,79,625)
	-	82,53,775	56,57,084	-	35,89,864	90,05,479
Unsecured, considered good						
Non-current bank balances	-	5,60,311	6,92,586	-	-	-
	-	5,60,311	6,92,586	-	-	-
Others						
Interest accrued on fixed deposits	-	-	28,108	-	-	-
	-	-	28,108	-	-	-
Advances recoverable in cash or kind						
Unsecured, considered good	-	-	-	-	9,49,134	9,65,573
Doubtful	-	-	-	-	10,19,300	10,19,300
	-	-	-	-	19,68,434	19,84,873
Provision for doubtful advances	-	-	-	-	(10,19,300)	(10,19,300)
	-	-	-	-	9,49,134	9,65,573
	-	88,14,086	63,77,778	-	45,38,998	99,71,052

Particulars	Non-current			Current		
	31-Mar-17 Rs.	31-Mar-16 Rs.	1-Apr-15 Rs.	31-Mar-17 Rs.	31-Mar-16 Rs.	1-Apr-15 Rs.
5. Other assets						
Security Deposit (Non Financial)						
	-	1,64,430	1,64,430	-	-	-
	-	1,64,430	1,64,430	-	-	-
Other loans and advances						
Unsecured, considered good	-	-	-	-	-	-
Prepaid Rent	-	2,93,675	-	-	3,15,418	-
Prepaid expenses	-	-	-	-	30,948	70,064
Balances with statutory / government authorities	-	-	-	-	62,00,867	62,64,014
	-	2,93,675	-	-	65,47,233	63,34,078
	-	4,58,105	1,64,430	-	65,47,233	63,34,078

Since other assets pertains to discontinued business, the amount outstanding of Rs. 17,70,979 has been disclosed separately under Assets related to discontinued business (Refer Note 10).

6. Inventories (valued at lower of cost and net realizable value)

Particulars	31-Mar-17 Rs.	31-Mar-16 Rs.	01-Apr-15 Rs.
Traded Goods	-	1,51,10,631	3,00,30,172
	-	1,51,10,631	3,00,30,172

Particulars	Non-current			Current		
	31-Mar-17 Rs.	31-Mar-16 Rs.	1-Apr-15 Rs.	31-Mar-17 Rs.	31-Mar-16 Rs.	1-Apr-15 Rs.
7. Trade Receivables						
Unsecured, considered good unless stated otherwise						
Outstanding for a period not exceeding six months from the date they are due for payment						
Unsecured, considered good	-	-	-	-	7,84,826	7,63,94,846
	-	-	-	-	7,84,826	7,63,94,846

Particulars	Non-current			Current		
	31-Mar-17 Rs.	31-Mar-16 Rs.	01-Apr-15 Rs.	31-Mar-17 Rs.	31-Mar-16 Rs.	01-Apr-15 Rs.
8A. Cash and cash equivalents						
Balances with banks:						
- On current accounts	-	-	-	-	18,17,532	50,59,618
Cash on hand	-	-	-	-	3,78,291	7,63,932
	-	-	-	-	21,95,823	58,23,550

Particulars	Non-current			Current		
	31-Mar-17 Rs.	31-Mar-16 Rs.	01-Apr-15 Rs.	31-Mar-17 Rs.	31-Mar-16 Rs.	01-Apr-15 Rs.
8B. Other bank balances						
- Deposits with original maturity for more than 12 months	-	-	2,10,090	-	2,27,566	-
- Deposits with original maturity for more than 3 months but less than 12 months	-	5,60,311	4,82,496	-	1,83,576	1,73,470
	-	5,60,311	6,92,586	-	4,11,142	1,73,470
Amount disclosed under non-current assets (note 10.2)	-	(5,60,311)	(6,92,586)	-	4,11,142	1,73,470
	-	-	-	-	4,11,142	1,73,470



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Margin money deposits given as security

Margin money deposits with a carrying amount of Rs. 743,888 (31 March 2015: Rs. 655,966) are pledged with bank for issue of bank guarantees. Further fixed deposit of Rs 227,566 (31 March 2015: Rs. 210,090) are pledged with government authorities.

Since Cash & Cash equivalents pertains to discontinued business ,the amount outstanding of Rs. 12,03,584 has been disclosed separately under Assets related to discontinued business (Refer Note 10).

	31-Mar-17 Rs.	Non-current 31-Mar-16 Rs.	01-Apr-15 Rs.	31-Mar-17 Rs.	Current 31-Mar-16 Rs.	01-Apr-15 Rs.
9. Current Tax Assets						
Income tax deducted at source	-	-	-	-	47,622	4,43,848
	-	-	-	-	47,622	4,43,848

Since Current tax asset pertains to discontinued business ,the amount outstanding of Rs.1755 has been disclosed separately under Assets related to discontinued business (Refer Note 10).

11. Share Capital

	31-Mar-17 Rs.	31-Mar-16 Rs.	01-Apr-15 Rs.
Authorized shares			
50,000,000 (Previous period 50,000,000) (Period previous to previous period	50,00,00,000	50,00,00,000	50,00,00,000
50,000,000) equity shares of Rs. 10 each			
Issued, subscribed and fully paid-up shares			
50,000,000 (Previous period 50,000,000) (Period previous to previous period	50,00,00,000	50,00,00,000	50,00,00,000
50,000,000) equity shares of Rs. 10 each fully paid up			
Total issued, subscribed and fully paid-up share capital	50,00,00,000	50,00,00,000	50,00,00,000

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

	31-Mar-17		31-Mar-16		01-Apr-15	
	No.	Rs.	No.	Rs.	No.	Rs.
At the beginning of the year/period	5,00,00,000	50,00,00,000	5,00,00,000	50,00,00,000	2,00,00,000	20,00,00,000
Issued during the year/period	-	-	-	-	3,00,00,000	30,00,00,000
Outstanding at the end of the year/period	5,00,00,000	50,00,00,000	5,00,00,000	50,00,00,000	5,00,00,000	50,00,00,000

(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 in 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 as below:

Particulars	31-Mar-17 Rs.	31-Mar-16 Rs.	01-Apr-15 Rs.
New Spice Sales and Solutions Limited (Formerly known as Spice Retail Limited)			
50,000,000 (Previous period 50,000,000) (Period previous to previous period	50,00,00,000	50,00,00,000	50,00,00,000
50,000,000) equity shares of Rs. 10 each fully paid up			

(d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 Mar 2017		As at 31 Mar 2016		As at 01 Apr 2015	
	No.	% holding in the class	No.	% holding in the class	No.	% holding in the class
Equity shares of Rs. 10 each fully paid						
New Spice Sales and Solutions Limited (Formerly known as Spice Retail Limited), the holding company	5,00,00,000	100.00%	5,00,00,000	100.00%	5,00,00,000	100.00%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

	31-Mar-17 Rs.	31-Mar-16 Rs.	01-Apr-15 Rs.
12. Trade Payables			
Trade payables	-	1,22,04,358	3,27,66,065
Trade payables to Related Parties	-	19,89,13,093	23,33,21,011
	-	21,11,17,451	26,60,87,076

Since Trade Payable pertains to discontinued business ,the amount outstanding of Rs. 22,54,230 has been disclosed separately under liabilities related to discontinued business (Refer Note 10).

	31-Mar-17 Rs.	31-Mar-16 Rs.	01-Apr-15 Rs.
13. Financial liabilities			
Payable for capital goods	-	22,67,453	24,62,115
Unaccrued Income	-	-	-
Interest accrued but not due on borrowings	-	-	-
Employee Payable	-	24,84,272	31,48,001
	-	47,51,725	56,10,116



10A. Sale of Business Division under slump sale agreement

Pursuant to the decision of its board of directors on May 17, 2016, the Company entered into a slump sale agreement with Hotspot Sales and Solutions Pvt Limited ("HSSPL"), for transfer of assets and liabilities pertaining to its retail business involved in trading of multibrand mobile handsets and related accessories through a chain of retail outlets across India. Being a discontinued operation, this business is no longer presented in the segment note. Below mentioned assets and liabilities of the Company were transferred to and vested in HSSPL on a going concern basis from 1st June, 2016 being the date of business transfer.

The details of assets and liabilities transferred by way of slump sale are as under:

Assets and liabilities transferred:-

	Mar'31, 2017
	Amount
	Rs.
Assets	
Non-current assets	
Property, Plant and Equipment	47,43,599
Financial Assets	
Other Financial Assests	70,83,725
	<u>1,18,27,324</u>
Current assets	
Inventories	1,76,44,695
Financial Assets	
Trade receivables	7,40,047
Cash and bank balances	22,96,738
Other Bank Balances	4,11,142
Other Financial Assests	38,25,088
Other current assets	60,02,239
	<u>3,09,19,949</u>
TOTAL	<u><u>4,27,47,273</u></u>
Current liabilities	
Financial Liabilities	
Short-term borrowings	4,00,00,000
Trade payables	1,06,90,774
Other Financial liabilities	8,42,070
Other current liabilities	3,79,217
Short-term provisions	2,82,880
	<u>5,21,94,942</u>
TOTAL	<u><u>5,21,94,942</u></u>
Net identified assets	(94,47,669)
Capital Reserve	(94,47,670)
Purchase Consideration	1

10. (a) The following statement shows the revenue and expenses of the discontinued operation of the Company

	Mar'31, 2017	Mar'31, 2016
	Rs	Rs
Income		
Revenue from operations	5,10,55,569	39,43,56,803
Revenue from operations (net)	<u>5,10,55,569</u>	<u>39,43,56,803</u>
Other income	2,85,425	15,65,639
Total revenue (I)	<u>5,13,40,994</u>	<u>39,59,22,442</u>
Expenses		
Purchase of traded goods	4,98,45,120	34,91,30,562
(Increase) / Decrease in inventories of traded goods	(25,34,064)	1,49,19,541
Employee benefits expense	25,03,645	1,89,97,153
Depreciation and amortization expense	5,48,634	50,57,576
Finance costs	24,485	520
Other expenses	60,76,561	4,75,92,624
Total (II)	<u>5,64,64,381</u>	<u>43,56,97,976</u>



Loss before exceptional items and tax from discontinued operation (I) – (II)	(51,23,387)	(3,97,75,534)
Exceptional items	(16,88,47,038)	-
Profit / (Loss) before tax	(16,37,23,651)	(3,97,75,534)
Provision for Taxes	-	-
Tax related to earlier years (Loss) for the year	(16,37,23,651)	(3,97,75,534)
Earning Per Share:		
Earnings per equity share from the discontinued business	(3.27)	(0.80)

The Net cash flow incurred by the discontinued operation are, as follows;

	Mar'31, 2017	Mar'31, 2016
	Rs.	Rs.
Operating	(3,65,33,571)	(9,11,224)
Investing	(21,37,445)	(27,15,983)
Financing	3,99,75,515	(520)
Net cash (outflow)/inflow	13,04,499	(36,27,727)

10. (b) The details of assets and liabilities as at March 31, 2017 classified separately as assets / liabilities related to discontinued business are given below:

	Mar'31, 2017
	Amount
	Rs.
Assets	
Financial Assets	
Cash and bank balances	12,03,584
Current Tax Assets	1,755
Other current assets	17,70,979
	29,76,318
Assets directly associated with assets pertaining to discontinued business	29,76,318
Non-current liabilities	
Current liabilities	
Financial Liabilities	
Trade payables	22,54,230
Other current liabilities	44,662
	22,98,892
Liability directly associated with assets pertaining to discontinued business	22,98,892
Net assets directly associated with discontinued business*	(6,77,426)

*Net assets/liabilities includes following related party receivable and payables.

Trade receivable	39,785
Trade payable	29,788
Advance from customers and their credit balances	669



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	31-Mar-17 Rs.	31-Mar-16 Rs.	01-Apr-15 Rs.
14. Other Current liabilities			
Service tax payable	-	4,821	-
VAT payable	-	-	18,67,532
PF payable	-	1,31,986	1,56,890
ESI payable	-	26,905	42,282
TDS payable	-	3,69,004	21,31,162
	<u>-</u>	<u>5,32,716</u>	<u>41,97,866</u>

Since Other Current Liabilities pertains to discontinued business, the amount outstanding of Rs.44,662 has been disclosed separately under liabilities related to discontinued business (Refer Note 10).

	Long-term			Short-term		
	31-Mar-17 Rs.	31-Mar-16 Rs.	01-Apr-15 Rs.	31-Mar-17 Rs.	31-Mar-16 Rs.	01-Apr-15 Rs.
15. Provisions						
Provision for employee benefits						
Provision for gratuity (Note 17)	-	-	-	-	3,29,500	3,50,488
Provision for leave benefits	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,29,500</u>	<u>3,50,488</u>



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16. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computation:

	31-Mar-17 Rs.	31-Mar-16 Rs.
Loss for the period/year	16,37,23,651	(3,97,75,534)
Weighted average number of equity shares in calculating basic and diluted EPS	5,00,00,000	5,00,00,000
Basic and diluted earning per share	3.27	(0.80)

17. Disclosures under IND AS 19 - 'Employee Benefits' :

A. Gratuity and other post-employment benefit plans

11. The Company has defined benefit gratuity plan which has been funded under separate arrangement with SBI Life Insurance Company Limited. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of six months.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Statement of profit and loss

Net employee benefit expense recognized in the employee cost

	Gratuity 31-Mar-17 Rs.	Gratuity 31-Mar-16 Rs.
Current service cost	39,727	1,37,660
Interest cost on benefit obligation	-	70,863
Past service cost	-	-
Expected return on plan assets	-	(1,29,318)
Net actuarial loss/(gain) recognized during the year/period	-	(1,661)
Net benefit expense	39,727	77,544

Balance sheet

Benefit asset/ liability

	Gratuity 31-Mar-17 Rs.	Gratuity 31-Mar-16 Rs.
Present value of defined benefit obligation	-	(9,17,679)
Fair value of plan assets	-	15,62,587
Plan asset / (liability)	-	6,44,908

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

	Gratuity 31-Mar-17 Rs.	Gratuity 31-Mar-16 Rs.
Opening defined benefit obligation	9,17,679	9,14,357
Current service cost	39,727	1,37,660
Interest cost	-	70,863
Past service cost	-	-
Benefits paid	(2,46,218)	(1,99,947)
Actuarial loss/(gains) on obligation	(7,11,188)	(5,254)
Closing defined benefit obligation	-	9,17,679



Changes in the fair value of plan assets are as follows:

	Gratuity 31-Mar-17 Rs.	Gratuity 31-Mar-16 Rs.
Fair value of plan assets at beginning of the year/period	15,62,587	14,36,862
Expected Return on plan assets	-	1,29,318
Actuarial gain/ (loss)	-	(3,593)
Employer Contribution	(15,62,587)	-
Benefits Paid	-	-
Closing fair value of plan assets	-	15,62,587
Actual return on plan assets	-	89,061

	31-Mar-17	31-Mar-16
Investment with insurer	100%	100%

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

	31-Mar-17	31-Mar-16
Discount rate	8.00%	7.75%
Expected rate of return on assets	9.0%	9.0%
Withdrawal rate	35%	35%
Increase in Compensation cost	8%	8%
Mortality table referred	IALM (2006-08)	IALM (2006-08)

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.

Amounts for the current and previous four periods are as follows:

	31-Mar-17 Rs.	31-Mar-16 Rs.	31-Mar-15 Rs.	30-Jun-14 Rs.	30-Jun-13 Rs.
Gratuity					
Defined benefit obligation	-	9,17,679	9,14,357	9,09,645	10,59,066
Plan assets	-	15,62,587	14,36,862	13,47,801	12,35,077
Surplus / (deficit)	-	6,44,908	5,22,505	4,38,156	1,76,011
Experience adjustments on plan liabilities (loss) / gain	-	(2,909)	(61,940)	1,03,574	42,264
Experience adjustments on plan assets	-	(3,593)	3,139	7,742	5,666

B. Defined Contribution Plan

	31-Mar-17 Rs.	31-Mar-16 Rs.	31-Mar-15 Rs.	30-Jun-14 Rs.	30-Jun-13 Rs.
Contribution to Provident Fund	-	8,13,827	6,09,120	6,12,003	9,37,293



18. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying Value			Fair Value	
	As at 31 Mar 2017	As at 31 Mar 2016	As at 01 Apr 2015	As at 31 Mar 2017	As at 01 Apr 2015
Financial assets					
Other financial assets :					
Security Deposits	-	82,53,775	56,57,084	-	82,53,775
Employee loans					56,57,084
Total	-	82,53,775	56,57,084	-	82,53,775

The Management has assessed that the fair value of cash and cash equivalents, other bank balances, trade receivables, other current financial assets, trade payables and other current financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Borrowings are evaluated by the Company based on parameters such as interest rates and specific country risk factors.
- The fair value of other financial liabilities, obligations under finance leases, is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The fair values of the Company's borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

19. Fair value hierarchy

(1) Financial Instruments by Category

Financial Assets	31-Mar-17		31-Mar-16		01-Apr-15	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
-Long Term loans and advances	-	-	-	-	-	-
-Other Non-Current Financial Assets	-	-	-	88,14,086	-	63,77,778
-Trade receivables	-	-	-	7,84,826	-	7,63,94,846
-Cash and cash equivalent	-	12,03,584	-	21,95,823	-	58,23,550
-Other Bank Balances	-	-	-	4,11,142	-	1,73,470
-Current loans and advances	-	-	-	-	-	-
-Other Financial assets	-	-	-	45,38,998	-	99,71,052
Total financial assets	-	12,03,584	-	1,67,44,876	-	9,87,40,696
Non Current Borrowing	-	-	-	-	-	-
Other Long term Liabilities	-	-	-	-	-	-
Current Borrowing	-	-	-	-	-	-
Current Trade payables	-	22,54,231	-	21,11,17,451	-	26,60,87,076
Other Current Financial Liabilities	-	-	-	47,51,725	-	56,10,116
Total Financial Liabilities	-	22,54,231	-	21,58,69,176	-	27,16,97,192

20. Financial risk management objectives and policies

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management that advises on financial risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees on policies for managing each of these risks, which are summarised below.

1)Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments. Company is not affected by commodity risk.

The sensitivity analyses in the following sections relate to the position as at 31 March 2017, 31 March 2016 and 01 April 2015.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt instruments are all constant.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2017 and 31 March 2016.

-Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Security deposits received/paid and borrowing.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect on profit before tax
31-Mar-17		
INR	50	-
INR	-50	-
31-Mar-16		
INR	50	(44,070)
INR	-50	44,070
31-Mar-15		
INR	50	(31,889)
INR	-50	31,889

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

2)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 (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

-Trade receivables

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and limits are defined in accordance with this assessment. At 31 March 2017, the Company had net outstanding of INR Nil (31 March 2016: 7,848,26, 1 April 2015: 7,63,484).

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

-Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and based on the Investment Policy of the Company. All investments are reviewed by the Company's Board of Directors on a quarterly basis.



3) Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a low debt exposure 100% of the Company's debt will mature in less than one year at 31 March 2017 (31 March 2016: 100%, 1 April 2015: 100%) based on the carrying value of borrowings reflected in the financial statements. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	On Demand	Less than 3 Months	3-12 Months	1-5 Years	5 years	Total
Year ended 31-Mar-17						
Other financial liabilities(non-current)		-				-
Other financial liabilities(current)		22,54,231				22,54,231
Trade and other payables		22,54,231				22,54,231
Total		22,54,231				22,54,231

* Based on the maximum amount that can be called for under the financial guarantee contract.

	On Demand	Less than 3 Months	3-12 Months	1-5 Years	5 years	Total
Year ended 31-Mar-16						
Other financial liabilities(non-current)		-				-
Other financial liabilities(current)		47,51,725				47,51,725
Trade and other payables		21,11,17,451				21,11,17,451
Total		21,58,69,176				21,58,69,176

* Based on the maximum amount that can be called for under the financial guarantee contract.

	On Demand	Less than 3 Months	3-12 Months	1-5 Years	5 years	Total
Year ended 31-Mar-15						
Other financial liabilities(non-current)		-				-
Other financial liabilities(current)		56,10,116				56,10,116
Trade and other payables		26,60,87,076				26,60,87,076
Total		27,16,97,192				27,16,97,192

* Based on the maximum amount that can be called for under the financial guarantee contract.

21. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio less than 50%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

	As at 31 Mar 2017 Rs.	As at 31 Mar 2016 Rs.	As at 01 Apr 2015 Rs.
Trade payables/Other payables	22,54,231	21,58,69,176	27,16,97,192
Less: cash and cash equivalents	12,03,584	26,06,965	59,97,020
Net debt	10,50,647	21,32,62,211	26,57,00,172
Equity	50,00,00,000	50,00,00,000	50,00,00,000
Reserve	(49,93,22,575)	(67,24,93,891)	(63,27,79,888)
Total capital	6,77,425	(17,24,93,891)	(13,27,79,888)
Capital and net debt	17,28,072	4,07,68,320	13,29,20,284
Gearing ratio	61%	523%	200%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.



Notes to financial statements for the period ended March 31, 2017
22A. First-time adoption of Ind AS

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:
 -Property plan and equipment, including intangible, the Company has elected to continue with the carrying value(i.e. at cost) for all assets as recognised in its Indian GAAP financial as deemed cost at the transition date.
 - Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its investment property as recognised in its Indian GAAP financial as deemed cost at the transition date.
 - Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

Estimates

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) .

Reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS:

Cellucom Retail India Private Limited
 Balance Sheet as at 31 March 2016

Particulars	Note No	IGAAP as on 31 March 2016	Adjustment	Ind AS as on 31 March 2016
Assets				
Non-current assets				
Fixed assets				
Property ,Plant and Equipment		53,29,034	-	53,29,034
Financial Assets				
Other Financial Assests		96,02,825	(7,88,739)	88,14,086
Other non-current assets		-	4,58,105	4,58,105
		1,49,31,859	(3,30,634)	1,46,01,226
Current assets				
Inventories		1,51,10,631	-	1,51,10,631
Financial Assets				
Trade receivables		7,84,826	-	7,84,826
Cash and bank balances		21,95,823	-	21,95,823
Other Bank Balances		4,11,142	-	4,11,142
Loans		-	-	-
Other Financial Assests		45,38,998	-	45,38,998
Current Tax Assets		47,622	-	47,622
Other current assets		62,31,815	3,15,418	65,47,233
		2,93,20,858	3,15,418	2,96,36,275
TOTAL		4,42,52,717	(15,216)	4,42,37,501
Equity and liabilities				
Shareholders' funds				
Share capital		50,00,00,000	-	50,00,00,000
Other Equity		(67,24,78,676)	(15,216)	(67,24,93,891)
		(17,24,78,676)	(15,216)	(17,24,93,891)
Non-current liabilities				
Long-term provisions		-	-	-
Current liabilities				
Financial Liabilities				
Short-term borrowings		-	-	-
Trade payables		21,11,17,451	-	21,11,17,451
Other Financial liabilities		47,51,725	-	47,51,725
Other current liabilities		5,32,716	-	5,32,716
Short-term provisions		3,29,500	-	3,29,500
		21,67,31,392	-	21,67,31,392
TOTAL		4,42,52,716	(15,216)	4,42,37,501



Notes to financial statements for the period ended March 31, 2017

Cellucom Retail India Private Limited
 Balance Sheet as at 1 April 2015

Particulars	Note No	IGAAP as on 1 April 2015	Adjustment	Ind AS as on 1 April 2015
Assets				
Non-current assets				
Fixed assets				
Property, Plant and Equipment		77,52,434		77,52,434
Financial Assets				
Other Financial Assets		65,42,208	(1,64,430)	63,77,778
Other non-current assets		-	1,64,430	1,64,430
		<u>1,42,94,642</u>		<u>1,42,94,642</u>
Current assets				
Inventories				
Inventories		3,00,30,172		3,00,30,172
Financial Assets				
Trade receivables		7,63,94,846		7,63,94,846
Cash and bank balances		58,23,550		58,23,550
Other Bank Balances		1,73,470		1,73,470
Loans		-		-
Other Financial Assets		99,71,052		99,71,052
Current Tax Assets		4,43,848		4,43,848
Other current assets		63,34,078		63,34,078
		<u>12,91,71,016</u>		<u>12,91,71,016</u>
TOTAL		<u><u>14,34,65,658</u></u>		<u><u>14,34,65,658</u></u>
Equity and liabilities				
Shareholders' funds				
Share capital		50,00,00,000		50,00,00,000
Other Equity		(63,27,79,888)		(63,27,79,888)
		<u>(13,27,79,888)</u>		<u>(13,27,79,888)</u>
Non-current liabilities				
Long-term provisions				
		-		-
Current liabilities				
Financial Liabilities				
Short-term borrowings		-		-
Trade payables		26,60,87,076		26,60,87,076
Other Financial liabilities		56,10,116		56,10,116
Other current liabilities		41,97,866		41,97,866
Short-term provisions		3,50,488		3,50,488
		<u>27,62,45,546</u>		<u>27,62,45,546</u>
TOTAL		<u><u>14,34,65,658</u></u>		<u><u>14,34,65,658</u></u>

Footnotes to the reconciliation of equity as at 1 April 2015 and 31 March 2016 and profit or loss for the year ended 31 March 2016

i. **Defined benefit liabilities**

Both under Indian GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, 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. Thus the employee benefit cost is reduced by Remeasurement gains/ losses on defined benefit plans has been recognized in the OCI net of tax.

ii. **Provisions**

Under Indian GAAP, the Group has accounted for provisions, including long-term provision, at the undiscounted amount. In contrast, Ind AS 37 requires that where the effect of time value of money is material, the amount of provision should be the present value of the expenditures expected to be required to settle the obligation. The discount rate(s) should not reflect risks for which future cash flow estimates have been adjusted. Ind AS 37 also provides that where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time.

iii. **Deferred tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. But due uncertainty of realisation of income on future date, DTA/(DTL) has not been recognised.

iv. **Other comprehensive income**

Under Indian GAAP, the Group has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

v. **Statement of cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

Under Indian GAAP, the Group has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.



Particulars	Note No	IGAAP as on 31 March 2016	Adjustment	Ind AS as on 31 March 2016
Revenue from operations	22	39,43,56,803	-	39,43,56,803
Other income (2)	23	14,17,003	1,48,636	15,65,639
Total Income (1 + 2)		39,57,73,805	1,48,636	39,59,22,441
Expenses:				
Purchases		34,91,30,562	-	34,91,30,562
(Increase) in inventories of traded goods		1,49,19,541	-	1,49,19,541
Employee benefits expense	24	1,89,35,622	61,531	1,89,97,153
Other expenses	25	4,74,28,773	1,63,852	4,75,92,625
Depreciation and amortization expense	26	50,57,576	-	50,57,576
Finance costs	27	520	-	520
Total expenses		43,54,72,594	2,25,383	43,56,97,978
Profit before exceptional items and tax		(3,96,98,789)	(76,747)	(3,97,75,536)
Exceptional items		-	-	-
Profit before tax		(3,96,98,789)	(76,747)	(3,97,75,536)
Tax expense:				
(1) Current tax		-	-	-
(2) Deferred tax		-	-	-
(3) MAT credit entitlement/utilised		-	-	-
Profit (Loss) for the period		(3,96,98,789)	(76,747)	(3,97,75,536)
Other Comprehensive Income				
Items that will not be reclassified to profit or loss	28	-	61,531	61,531
Income Tax relating to items that will not be reclassified to profit or loss	29	-	-	-
Items that will be reclassified to profit or loss		-	-	-
Income Tax relating to items that will be reclassified to profit or loss		-	-	-
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(3,96,98,789)	(15,216)	(3,97,14,005)



23. Segment Reporting Policies

Primary Segments: Business Segments

The Company was primarily engaged in the business of retail trade through retail store facilities. The company has discontinued business and transferred business assets & liabilities to assets/liabilities related to discontinued business.

Secondary Segment Reporting (by Geographical Segments)

As the Company's business activity falls within a single geographical segment. During the year, the Company has discontinued business and transferred business assets & liabilities to assets/liabilities related to discontinued business.

24. Related party disclosures

A. Names of related parties and related party relationship
Related parties where control exists

Ultimate holding company	Smart Global Corporate Holding Pvt. Ltd. (Formerly known as Spice Global Investments Pvt. Ltd) (Holding company of Spice Connect Private Limited)
Holding company	New Spice Sales and Solutions Limited (Formerly known as Spice Retail Limited) (NSSSL) Hindustan Retail Private Limited (HRPL) (Holding company of NSSSL) Spice Mobility Limited (SML) (Holding company of HRPL) Spice Connect Private Limited (formerly known as Smart Ventures Pvt. Ltd.) (Holding company of SML)

Related parties with whom transactions have taken place during the year

Enterprises owned or significantly influenced by key management personnel or their relatives

Bharat IT Services Limited

Fellow Subsidiary Company

Hotspot Sales & Solutions Private Limited

Independence Directors

Ms. Seema Salwan
Mr. Sunil Kumar Bansali

B. Details of Related Party Transactions

Annexure 1

25. Contingent liabilities (Not provided for) in respect of :

	31-Mar-17 Rs.	31-Mar-16 Rs.
Claims against the Company not acknowledged as debts **	-	28,61,643
Demands raised by Income tax authority **	-	28,278
Demands raised by sale tax authority **	-	14,87,973
Demands raised by sale tax authority *	-	4,99,706
	<u>-</u>	<u>48,77,600</u>

Pursuant to the slump sale agreement, all the contingent Liabilities of the company were transferred to and vested in Hotspot Sales & Solutions Pvt. Ltd. on a going concern basis from 1st June, 2016 being the date of business transfer.

*The Hon'ble Supreme Court of India vide its order dated December 17, 2014 on the judgment in case of State of Punjab Vs. Nokia India Pvt. Ltd. has held that sales tax on battery charger sold along with mobile phone should be charged at sales tax rate applicable to chargers, which is higher than the sales tax rate applicable to mobile phones in few states. Demand of Rs 499,706 has been received from Uttar Pradesh. No demand has been received/ascertained for other states.

** As per the management, the Company has fair chances of success in all these cases and hence no provision in respect thereof is made in the books.

26. Deferred Tax Asstes/(Liabilities)

As per the Ind AS 12 " 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.

27. Previous Year figures

Previous year figures have been regrouped / reclassified, where necessary, to conform to this period's classification.

As per our report of even date

For Gupta Garg & Agrawal
Chartered Accountants
ICAI Firm's Registration No. 505762

(B. B. Gupta)
Partner
Membership No.: 012399



For and on behalf of the Board of Directors of Cellucom Retail India Private Limited

Madhusudan Venkatachary
Director
DIN: 02650160

Subhasish Mohanty
Director
DIN: 05329000

Place: Delhi
Date: 11.05.2017

Notes to financial statements as at March 31, 2017
 Annexure 1
 Transactions with Related Parties:

Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives			Holding Company			Fellow Subsidiary Company			Total		Amount in Rs.
	2016-17	2015-16	01-Apr-15	2016-17	2014-15	01-Apr-15	2016-17	2014-15	01-Apr-15	2016-17	2014-15	
A. Transactions during the year/period												
Share Capital Received												
New Spice Sales and Solutions Limited (Formerly known as Spice Retail Limited)												
Short Term Borrowings												
Hindustan Retail Private Limited				4,00,00,000						4,00,00,000		
Purchases and services received*												
New Spice Sales and Solutions Limited (Formerly known as Spice Retail Limited)				4,97,88,283	34,89,36,332					4,97,88,283	34,89,36,332	
Commission received on Airtime connection												
New Spice Sales and Solutions Limited (Formerly known as Spice Retail Limited)				25,325	9,63,712					25,325	9,63,712	
Other Income												
New Spice Sales and Solutions Limited (Formerly known as Spice Retail Limited)				16,88,47,038						16,88,47,038		
Computer Maintenance Expenses												
Bharat IT Services Limited	22,550	1,01,938	1,01,732							22,550	1,01,938	1,01,732
Independence Directors Sifting Fees												
Ms. Seema Salwan	135000	195000										
Mr. Sunil Kumar Bansali	135000	195000										
B. Balances at the year end												
Creditors												
New Spice Sales and Solutions Limited (Spice Retail Limited)					19,88,88,530	24,84,19,545					19,88,88,530	24,84,19,545
Bharat IT Services Limited						2,231					2,231	
Hotspot Sales & Solutions Private Limited							21,56,174			21,56,174		

* Excluding VAT

Note: Above figure not includes Various Assets and Liabilities transferred by way of Slump sale to Hotspot sales and solution privated Limited. Refer Note

