

INDEPENDENT AUDITOR'S REPORT

To,

The Members of Spice Online Private Limited (formerly known as Spice Online Retail Private Limited)

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Spice Online Private Limited (formerly known as Spice Online Retail 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone 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.

Report on Other Legal and Regulatory Requirements

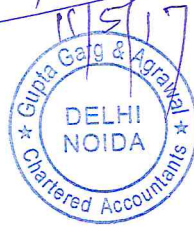
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure '1' a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
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 standalone 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 does not have any pending litigations which would impact its financial position.
 - ii) the company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) there has been no amounts which are required to be transferred to the Investor Education and Protection Fund by the company.



- iv) The company has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the company and as produced to us by the management (refer note no. 37).

For GUPTA GARG & AGRAWAL
CHARTERED ACCOUNTANTS
FRN 505762C

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



Place: Delhi
Date : 11/05/2017

RE: Spice Online Private Limited (formerly known as Spice Online Retail 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) As per the information given by the management, the physical verification of fixed assets was carried out at the end of the financial year. No discrepancy on such verification noticed by the management and reported to us.

(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, the provisions of Section 185 and 186 of the Companies Act 2013 have been complied.

(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.

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.

(b) 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 made private placement of equity shares during the period under review and complied with section 42 of the Companies Act, 2013. The amount has been duly utilized for the purpose for which it has been raised.
- (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)
PARTNER
M. No. 012399**



Place: Noida
Date: 11/05/2017

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SPICE ONLINE PRIVATE LIMITED (FORMERLY KNOWN AS SPICE ONLINE RETAIL 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 Spice Online Private Limited (Formerly known as Spice Online Retail 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)
PARTNER
M. No. 012399



Place: Delhi

Date: 11/05/2017

SPICE ONLINE PRIVATE LIMITED (Formerly known as Spice Online Retail Private Limited)
Regd. Address: 60-D, Street No. C-5, Sainik Farms, New Delhi-110062
CIN: U74140DL2008PTC183856
Balance Sheet as at March 31, 2017

Particulars	Notes	Figures as at	Figures as at	Figures as at
		31-03-2017	31-03-2016	01-04-2015
		Rs.	Rs.	Rs.
ASSETS				
Non-current assets				
Property, Plant and Equipment	3	35,27,088	1,87,710	3,52,179
Intangible assets	3	-	4,29,405	21,86,017
Financial Assets				
Trade receivables		-	-	-
Loans	4	-	80,000	80,000
Other non-current assets	5	1,80,000	-	-
		<u>37,07,088</u>	<u>6,97,115</u>	<u>26,18,196</u>
Current assets				
Inventories	6	30,318	17,49,596	2,80,27,563
Financial Assets				
Investments	7	1,00,000	-	-
Trade receivables	8	12,57,84,829	21,63,604	2,20,30,172
Cash and cash equivalents	9A	2,73,93,267	2,23,839	2,94,529
Other Bank Balances	9B	28,35,00,000	12,24,710	10,51,348
Loans	10	13,45,000	-	-
Other Financial Assets	11	1,23,05,377	13,65,667	9,79,262
Current Tax Assets	12	12,04,997	32,57,340	25,71,191
Other current assets	13	29,33,285	48,54,360	49,63,116
		<u>45,45,97,073</u>	<u>1,48,39,116</u>	<u>5,99,17,181</u>
TOTAL		<u>45,83,04,161</u>	<u>1,55,36,231</u>	<u>6,25,35,377</u>
EQUITY AND LIABILITIES				
Shareholders' funds				
(a) Share capital	14	19,43,13,730	9,91,00,000	9,91,00,000
(b) Other Equity	SOCE	(5,82,18,683)	(11,98,61,833)	(9,87,80,738)
		<u>13,60,95,047</u>	<u>(2,07,61,833)</u>	<u>3,19,262</u>
Non-current liabilities				
Financial Liabilities				
Long-term Borrowings	15	16,03,59,400	-	-
Long-term provisions	16	11,65,268	6,94,915	9,72,127
Current liabilities				
Financial Liabilities				
Short-term borrowings	17	1,58,86,232	1,30,23,110	2,37,66,489
Trade payables	18	12,82,78,579	1,68,58,221	3,43,33,639
Other Financial liabilities	19	1,60,28,168	51,62,771	18,77,702
Other current liabilities	20	2,04,188	3,86,378	10,85,468
Short-term provisions	21	2,87,279	1,72,669	1,80,690
		<u>16,06,84,446</u>	<u>3,56,03,149</u>	<u>6,12,43,988</u>
TOTAL		<u>45,83,04,161</u>	<u>1,55,36,231</u>	<u>6,25,35,377</u>
Summary of significant accounting policies	1			

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

As per our attached report of even date

For Gupta Garg & Agrawal
Chartered Accountants
FRN: 505762C

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



For and on behalf of the Board of Directors

Madhusudan Venkatachary
Director
DIN: 02650160

Manish Kumar Sharma
Director
DIN: 07496900

Gopal Sadani
Company Secretary
M. No. - A27683

Place : Delhi
Date : 11/05/2017

SPICE ONLINE PRIVATE LIMITED (Formerly known as Spice Online Retail Private Limited)

Regd. Address: 60-D, Street No. C-5, Sainik Farms, New Delhi-110062

CIN: U74140DL2008PTC183856

Statement of Profit & Loss for the year ended March 31, 2017

Particulars	Notes	Figures for the	Figures for the
		year ended 31-03-2017	year ended 31-03-2016
		Rs.	Rs.
Income			
Revenue from operations	22	25,57,90,609	34,11,60,421
Other income	23	1,43,63,946	1,35,737
Total revenue (I)		27,01,54,555	34,12,96,158
Expenses			
Purchase of stock-in-trade	24	24,38,63,451	27,80,15,083
Changes in inventory	24	9,90,305	2,62,77,967
Employee benefits expense	25	1,78,45,203	2,17,77,867
Finance Cost	26	78,03,497	12,74,713
Depreciation and amortization expense	3	3,54,140	19,61,006
Other expenses	27	99,90,889	3,35,56,368
Total expense (II)		28,08,47,485	36,28,63,004
Profit/(Loss) before exceptional and extraordinary items and tax (I) - (II)		(1,06,92,930)	(2,15,66,846)
Exceptional items		-	-
Profit/(Loss) before extraordinary items and tax		(1,06,92,930)	(2,15,66,846)
Extraordinary items		-	-
Profit / (Loss) for the year/period		(1,06,92,930)	(2,15,66,846)
Tax Expenses			
(i) Current Tax		-	-
(ii) Deferred Tax		-	-
Profit / (Loss) for the year from continuing operations		(1,06,92,930)	(2,15,66,846)
Profit / (Loss) for the year		(1,06,92,930)	(2,15,66,846)
Other comprehensive Income		(1,11,630)	4,85,751
		(1,08,04,560)	(2,10,81,095)
Earnings per equity share [nominal value of share Rs. 10 (31 March 2016 Rs. 10)]	28		
1) Basic		(0.68)	(2.18)
2) Diluted		(0.68)	(2.18)
Summary of significant accounting policies	1		

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

As per our attached report of even date

For Gupta Garg & Agrawal
Chartered Accountants
FRN: 505762C

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



For and on behalf of the Board of Directors

Madhusudan Venkatachary
Director
DIN: 02650160

Manish Kumar
Sharma
Director
DIN: 07496900

Gopal Sadani
Company Secretary
M. No. - A27683

Place : Delhi
Date : 11/05/2017

SPICE ONLINE PRIVATE LIMITED (Formerly known as Spice Online Retail Private Limited)
Regd. Address: 60-D, Street No. C-5, Sainik Farms, New Delhi-110062
CIN: U74140DL2008PTC183856
Cash Flow Statement for the year ended March 31, 2017

Particulars	Figures for the	Figures for the
	year ended 31-03-2017	year ended 31-03-2016
	Rs.	Rs.
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(1,08,04,560)	(2,10,81,095)
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation/ amortization	3,54,139	19,61,006
Interest paid	78,03,497	12,74,713
Interest (income)	(1,09,67,669)	(1,35,737)
Operating profit/ (loss) before changes in assets and liabilities	(1,36,14,593)	(1,79,81,113)
Changes in assets and liabilities		
Increase/ (decrease) in trade payables	12,21,02,003	(1,74,75,418)
Increase / (decrease) in short-term provisions	2,87,279	(8,021)
Increase/ (decrease) in Other Financial liabilities	38,94,313	29,83,877
Increase/ (decrease) in other current liabilities	19,56,493	(6,99,090)
Increase/ (decrease) in other long-term Provisions	9,86,023	(2,77,212)
Increase/ (decrease) in Long-term Liabilities	-	-
Decrease / (increase) in trade receivables	(12,43,87,255)	1,98,66,568
Decrease/(increase) in inventories	9,90,305	2,62,77,967
Decrease / (increase) in Short term Financial loans and advances	(13,45,000)	-
Decrease / (increase) in Non Other current assets	(1,80,000)	-
Decrease / (increase) in Other current assets	(5,56,823)	1,08,756
Cash generated from / (used in) operations	(98,67,255)	1,27,96,314
Direct taxes paid (net of refunds)	20,52,343	(6,86,149)
Net cash flow from/ (used in) operating activities	A	(78,14,912)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including CWIP and capital advances	(38,45,469)	(39,925)
Purchase of current investments	(1,00,000)	-
Movement in fixed deposits (having original maturity of more than three months)	(28,22,75,290)	(1,73,362)
Interest received	(34,132)	(2,50,668)
Net cash flow from/ (used in) investing activities	B	(28,62,54,891)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of equity share capital	9,52,13,730	-
Proceeds from Share Application Money	6,48,78,270	-
Proceeds/(Repayment) of long term Borrowings	16,03,59,400	-
Proceeds from short-term borrowings	28,63,122	70,00,000
Repayment of short-term borrowings	-	(1,77,43,379)
Interest paid	(6,15,194)	(9,73,521)
Net cash flow from/ (used in) in financing activities	C	32,26,99,328
Net increase/(decrease) in cash and cash equivalents	A+B+C	2,86,29,525
Cash and cash equivalents at the beginning of the year	2,23,839	2,94,529
Cash and cash equivalents transferred pursuant to Slum Sale	(14,60,097)	-
Cash and cash equivalents at the end of the year	2,73,93,267	2,23,839
Closing Cash & Cash equivalent Balances		
Components of cash and cash equivalents		
Cash on hand	4,586	19,546
With banks- on current account	2,73,88,681	2,04,293
With banks- on deposit accounts	-	-
Total cash and cash equivalents (Note 9A)	2,73,93,267	2,23,839

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), 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 attached report of even date

For Gupta Garg & Agrawal
Chartered Accountants
FRN: 505762C

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



For and on behalf of the Board of Directors

Madhusudan Venkatachary
Director
DIN: 02650160

Manish Kumar Sharma
Director
DIN: 07496900

Gopal Sadani
Company Secretary
M. No. - A27683

Place : Delhi

Date : 11/05/2017

SPICE ONLINE PRIVATE LIMITED (Formerly known as Spice Online Retail Private Limited)
Regd. Address: 60-D, Street No. C-5, Sainik Farms, New Delhi-110062
CIN: U74140DL2008PTC183856
Statement of changes in Equity (SOCE)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 01 April 2015
A. Equity Share Capital			
Equity Shares of INR Rs. 10 each issued, subscribed and fully paid up			
Number of shares	1,94,31,373	99,10,000	99,10,000
Equity Share Capital	19,43,13,730	9,91,00,000	9,91,00,000
Total	19,43,13,730	9,91,00,000	9,91,00,000
B. Other Equity			
Security Premium			
Balance as per last financial statements	-	-	-
Add : During the year	6,48,78,270	-	-
Closing Balance	6,48,78,270	-	-
Other comprehensive Income			
Balance as per last financial statements	4,85,751	-	-
Add : During the year	(1,11,630)	4,85,751	-
Closing Balance	3,74,121	4,85,751	-
Capital Reserve			
Balance as per last financial statements	-	-	-
Add : During the year	75,69,440	-	-
Closing Balance	75,69,440	-	-
Retained Earnings			
Balance as per last financial statements	(12,03,47,584)	(9,87,80,738)	(9,53,53,093)
Loss for the year/period	(1,06,92,930)	(2,15,66,846)	(34,27,645)
Net deficit in the statement of profit and loss	(13,10,40,514)	(12,03,47,584)	(9,87,80,738)
Total Reserve & Surplus	(5,82,18,683)	(11,98,61,833)	(9,87,80,738)

Summary of significant accounting policies

1

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

As per our attached report of even date
For Gupta Garg & Agrawal
Chartered Accountants
FRN: 505762C

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



For and on behalf of the Board of Directors

Madhusudan Venkatachary
 Director
 DIN: 02650160

Handwritten signature of Madhusudan Venkatachary

Handwritten signature of Manish Kumar Sharma

Manish Kumar Sharma
 Director
 DIN: 07496900

Gopal Sadani
 Company Secretary
 M. No. - A27683

Handwritten signature of Gopal Sadani

Place : Delhi
 Date : 11/05/2017

SPICE ONLINE PRIVATE LIMITED (Formerly known as Spice Online Retail Private Limited)

Regd. Address: 60-D, Street No. C-5, Sainik Farms, New Delhi-110062

CIN: U74140DL2008PTC183856

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

1. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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.

B. 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 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 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 classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The 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.

C. 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 or profit or loss are also recognised in OCI or profit or loss, respectively).

At Balance Sheet Date, Foreign currency monetary items shall be translated using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction and non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured.

D. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability (The principal or the most advantageous market must be accessible by the Company.)

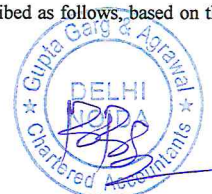
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable



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

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.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured 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.

E. Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

F. Property, plant and equipment

Property, plant & equipment represent a significant asset base of the company. 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.

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 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, which are depreciated after assuming useful life as 2 years. The management assessed the useful life of mobile phones 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.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

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.

G. Intangible assets

The useful life of in-house developed 'Software' has been estimated as 5 years and accordingly 20% depreciation to be provided on Straight Line Method basis.

H. Inventories

Inventories are valued as follows:

Traded goods 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 a moving weighted average basis.

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

I. Revenue recognition

Income is recognised and accounted for on accrual basis unless otherwise stated.

J. Investment in Equity Instruments

Equity instruments that are held for trading are necessarily required to be classified as FVTPL (Fair value through profit & loss). For all other equities, management has an option to make an irrevocable election on initial recognition, on an instrument-by-instrument basis, to present changes in fair value in OCI (other comprehensive income) rather than profit or loss. Therefore, it is not accounting policy. If this election is made, all fair value changes, excluding dividends that are a return on investment, will be included in OCI. There is no recycling of amounts from OCI to profit and loss (for example, on sale of an equity investment), nor are there any impairment requirements. However, the entity might transfer the cumulative gain or loss within equity.

K. Income Taxes

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods. The Deferred Tax Assets are recognised only to the extent that there is reasonable certainty of sufficient future profits against which such deferred tax assets could be realised.

L. Provisions & contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. The contingent liabilities, if any, are disclosed in the financial statements.

M. Events after the reporting period



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

Adjustments to assets and liabilities are made for events occurring after the reporting period to provide additional information materially affecting the determination of the amounts of assets or liabilities relating to conditions existing at the end of reporting period.

N. Earnings per equity share

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

O. Employee benefits

a. Short term employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the profit and loss account in the year in which the employee renders the related service.

b. Post Employee Benefits

Defined contribution plan

In respect of retirement benefit in the form of provident fund, the Company's contribution paid/payable towards provident fund are deposited with the Regional Provident Fund Commissioner of the Company and are charged to profit and loss account.

Defined Benefit Plan

The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried at the year end using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. Actuarial gains and losses are recognised in the profit and loss account.

c. Other long term benefits

Benefit under the Company's leave encashment scheme constitutes other employee benefit. The liability in respect of leave encashment is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognised in the profit and loss account.

P. Financial instruments

Recognition

Financial assets and financial liabilities is recognized when and only when the Company becomes party to the contractual provisions of the instrument.

Initial Measurement

The company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability, respectively, not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent Measurement

Financial assets as subsequent measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) as the case may be. Financial liabilities as subsequent measured at amortised cost or fair value through profit or loss.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Q. 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.

R. Other income

Other income is comprised primarily of interest income, dividend income and income from liabilities no longer payable. Interest income is recognized using effective interest method. Dividend income is recognised when the right to receive payment is established.



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3. Property, Plant & Equipments

	Amount in Rupees					
	Lease Hold Improvements	Office Equipments	Furniture and Fixtures	Computers	Vehicle	Total
Gross Block						
At 01.04.2015	-	-	-	3,52,181	-	3,52,181
Additions				28,900	-	28,900
Deletions/ Adjustments					-	-
At 31.03.2016	-	-	-	3,81,081	-	3,81,081
Additions				74,400	37,71,069	38,45,469
Deletions/ Adjustments						-
Transferred pursuant to Slump Sale				3,16,240		3,16,240
At 31.03.2017	-	-	-	1,39,241	37,71,069	39,10,310
Depreciation						
At 01.04.2015	-	-	-	-	-	-
For the period				1,93,369		1,93,369
Deletions / Adjustments						-
At 31.03.2016	-	-	-	1,93,369	-	1,93,369
For the year				61,809	2,70,030	3,31,839
Deletions / Adjustments						-
Transferred pursuant to Slump Sale				1,41,986		1,41,986
At 31.03.2017	-	-	-	1,13,192	2,70,030	3,83,222
Net Block						
At 31.03.2016	-	-	-	1,87,712	-	1,87,712
At 31.03.2017	-	-	-	26,049	35,01,039	35,27,088

3. Intangible Assets

Amount in Rupees

	Software
Gross Block	
At 01.04.2015	21,86,017
Additions	11,025
Deletions	-
At 31.03.2016	21,97,042
Additions	-
Deletions	-
Transferred pursuant to Slump Sale	21,97,042
At 31.03.2017	-
Amortization	
At 01.04.2015	-
For the period	17,67,637
Deletions	-
At 31.03.2016	17,67,637
For the year	22,301
Deletions	-
Transferred pursuant to Slump Sale	17,89,938
At 31.03.2017	-
Net Block	
At 31.03.2016	4,29,405
At 31.03.2017	-



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Particulars	Figures as at	Figures as at	Figures as at
	31-03-2017	31-03-2016	01-04-2015
	Rs.	Rs.	Rs.
4. Non Current Financial Loans			
Security Deposit	-	80,000	80,000
	<u>-</u>	<u>80,000</u>	<u>80,000</u>
5. Other Non Current Assets (Non Financial)			
Security Deposit	1,80,000	-	-
	<u>1,80,000</u>	<u>-</u>	<u>-</u>
6. Inventories			
Closing Inventory of Laptop, Mobiles and accessories	30,318	17,49,596	2,80,27,563
	<u>30,318</u>	<u>17,49,596</u>	<u>2,80,27,563</u>
7. Current Investments			
Unquoted - Fully Paid Up Equity Shares of Rs.10/- each			
Investment carried at cost in Subsidiary 10,000 (Nil) Shares in Hotspot Sales & Solutions Private Limited	1,00,000	-	-
	<u>1,00,000</u>	<u>-</u>	<u>-</u>
Aggregate amount of unquoted investments	1,00,000	-	-
8. Trade Receivables			
Trade Receivables	12,57,84,829	21,63,604	2,20,30,172
	<u>12,57,84,829</u>	<u>21,63,604</u>	<u>2,20,30,172</u>
9A. Cash and cash equivalents			
- Cash on hand	4,586	19,546	2,656
Balances with banks in current A/c:	2,73,88,681	2,04,293	2,91,873
Fixed Deposit	-	-	-
	<u>2,73,93,267</u>	<u>2,23,839</u>	<u>2,94,529</u>
9B. Other Bank Balance			
Fixed Deposit* (*Fixed deposit pledged to the subsidiary company Hotspot Sales and Solutions Pvt. Ltd. for Bank OD Limit-secured by way of 105%)	28,35,00,000	12,24,710	10,51,348
	<u>28,35,00,000</u>	<u>12,24,710</u>	<u>10,51,348</u>
10. Financial Short term Loans			
Loan to Employee	13,45,000	-	-
	<u>13,45,000</u>	<u>-</u>	<u>-</u>
11. Other Financial Assets			
Interest accrued on fixed deposits	95,79,441	60,330	1,42,876
Interest accrued on loan to an employee	3,94,135	-	-
Advances recoverable in cash or kind	23,31,801	13,05,337	8,36,386
	<u>1,23,05,377</u>	<u>13,65,667</u>	<u>9,79,262</u>
12. Current Tax Assets			
TDS Recovareble	12,04,997	32,57,340	25,71,191
	<u>12,04,997</u>	<u>32,57,340</u>	<u>25,71,191</u>



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Particulars	Figures as at 31-03-2017	Figures as at 31-03-2016	Figures as at 01-04-2015
	Rs.	Rs.	Rs.
13. Other Current Assets			
Prepaid expenses	83,682	1,16,733	6,05,581
Vat Recoverable	28,49,603	36,09,323	43,52,024
Service Tax Recoverable	-	11,28,304	5,511
	29,33,285	48,54,360	49,63,116

14. Share Capital

Authorised shares			
2,00,00,000 (1,00,00,000) (1,00,00,000) Equity Shares of Rs. 10/- each	20,00,00,000	10,00,00,000	10,00,00,000
Issued, subscribed and fully paid-up shares			
19,431,373 (99,10,000) (99,10,000) Equity Shares of Rs. 10/- each	19,43,13,730	9,91,00,000	9,91,00,000
Total issued, subscribed and fully paid-up share capital	19,43,13,730	9,91,00,000	9,91,00,000

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

Particulars	Figures as at 31-03-2017		Figures as at 31-03-2016		Figures as at 01-04-2015	
	No. of shares	Amount Rs.	No. of shares	Amount Rs.	No. of shares	Amount Rs.
At the beginning of the year/period	99,10,000	9,91,00,000	99,10,000	9,91,00,000	20,10,000	2,01,00,000
Issued during the year/period	95,21,373	9,52,13,730	-	-	79,00,000	7,90,00,000
Outstanding at the end of the year/period	1,94,31,373	19,43,13,730	99,10,000	9,91,00,000	99,10,000	9,91,00,000

(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 stated below:

Omniventures Private Limited	9,91,00,000	-	-
99,10,000* (NIL) Equity Shares of Rs. 10/- each fully paid			
Hindustan Retail Private Limited, the holding company	-	9,91,00,000	9,91,00,000
NIL (99,10,000) Equity Shares of Rs. 10/- each fully paid			

*Out of above shares, 5,000 Equity Shares are held by Mr. Mohit Bansal, as nominee of Omniventures Private Limited.

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

Nil Nil Nil

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

Name of the shareholder	Figures as at 31-03-2017		Figures as at 31-03-2016		Figures as at 01-04-2015	
	No. of shares	% holding in the class	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of Rs.10/- each fully paid						
Omniventure Private Limited *	99,10,000	51.00%	-	-	-	-
New Idea Investment Pte. Limited	95,21,373	49.00%	-	0.00%	-	0.00%
Hindustan Retail Pvt. Ltd.	-	0.00%	99,10,000	100.00%	99,10,000	100.00%

*Out of above shares, 5,000 Equity Shares are held by Mr. Mohit Bansal as nominee of Omniventures Private Limited.

(f) The above information (from (a) to (e)) are as per records of the company, including its register of shareholders/ members.



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Particulars	Figures as at 31-03-2017 Rs.	Figures as at 31-03-2016 Rs.	Figures as at 01-04-2015 Rs.
15. Long-term borrowings			
ECB Rupee Denominated Bonds (10% Interest bearing repayable after 5 years)	16,03,59,400	-	-
	16,03,59,400	-	-
16. Long Term Provisions			
Provision for employee benefits			
Provision for gratuity	8,53,857	3,71,319	5,96,049
Provision for leave benefits	3,11,411	3,23,596	3,76,078
	11,65,268	6,94,915	9,72,127
17. Short-term borrowings			
Hindustan Retail Pvt Ltd	70,00,000	50,00,000	-
HDFC CC Limit A/c #	68,86,232	60,23,110	2,37,66,489
Mobisoc Technology Pvt. Ltd	20,00,000	20,00,000	-
	1,58,86,232	1,30,23,110	2,37,66,489
# CC Limit from HDFC Bank against 100% collateral security provided by Spice Mobility Limited			
18. Trade Payables			
Trade payables	4,55,76,520	1,68,58,221	3,43,33,639
Trade payables to Related Parties	8,27,02,059	-	-
	12,82,78,579	1,68,58,221	3,43,33,639
19. Other Financial liabilities			
Interest Accrued and due	74,89,495	3,01,192	-
Employee Payable	79,16,974	-	-
Audit Fee Payable	1,16,550	1,11,901	2,66,136
Expenses Payable	5,05,149	47,49,678	16,11,566
	1,60,28,168	51,62,771	18,77,702
From Related Party	74,89,495	3,01,192	-
20. Other current liabilities			
Service Tax Payable	1,542	-	-
TDS Payable	1,48,882	3,14,837	9,98,064
ESI Payable	-	1,503	2,406
PF payable	53,764	70,038	84,998
	2,04,188	3,86,378	10,85,468
21. Short term provisions			
Provision for employee benefits (refer note no. 32)			
Provision for Gratuity	2,07,489	83,399	78,563
Provision for Leave Benefits	79,790	89,270	1,02,127
	2,87,279	1,72,669	1,80,690
Contingent liabilities and commitments			
(1) Contingent Liabilities			
a) Claims against the company not acknowledged as debts	NIL	NIL	NIL
b) Guarantees	28,35,00,000	NIL	NIL
c) other money for which company is contingently liable	NIL	NIL	NIL
(2) Commitments			
a) Estimated amounts of contracts to be executed on capital account not provided for	NIL	NIL	NIL
b) Uncalled liability on partly paid shares	NIL	NIL	NIL
c) Other commitments	NIL	NIL	NIL



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Notes to Financial Statements for the year ended March 31, 2017

Particulars	Figures for the	Figures for the
	year ended 31-03-2017	year ended 31-03-2016
	Rs.	Rs.

22. Revenue from operations

Sale of Trading Goods	25,44,99,740	30,82,35,581
Sales of Services	12,72,848	3,27,45,493
Commission on Sales	18,021	1,79,347
	<u>25,57,90,609</u>	<u>34,11,60,421</u>

23. Other income

Interest income on FDR	1,08,46,676	1,00,121
Liability no Longer Payable Written back	33,96,276	-
Receipt from Slump Sale	1	-
Interest on income tax refund	1,20,993	35,616
	<u>1,43,63,946</u>	<u>1,35,737</u>

24. Cost of Goods Sold

Inventory at the beginning of the year	17,49,596	2,80,27,563
Add: Purchase	24,38,63,451	27,80,15,083
Less: Transferred stock in Slump Sale	(7,28,973)	-
Less: Inventory at the end of the year	(30,318)	(17,49,596)
	<u>24,48,53,756</u>	<u>30,42,93,050</u>

25. Employee benefits expense

Salaries, wages and bonus	1,71,35,443	2,06,34,357
Contribution to provident fund	3,55,466	5,09,855
Staff welfare expenses	15,715	2,57,076
Gratuity expense	1,41,047	1,77,596
Leave encashment expenses	1,97,532	1,98,983
	<u>1,78,45,203</u>	<u>2,17,77,867</u>

26. Finance Costs

Interest on bank overdraft	5,39,531	9,40,055
Interest on ECB bonds	65,07,336	-
Interest on ICD	7,56,630	3,34,658
	<u>78,03,497</u>	<u>12,74,713</u>



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27. Other expenses

Warehousing expenses	2,82,581	8,89,896
Rates & Taxes	11,13,782	22,264
Advertising and sales promotion	9,77,680	38,13,563
Payment to Auditors (Refer details below)	1,20,875	1,25,606
Sales Commission	-	1,35,40,369
Legal and professional fees	19,99,059	19,07,846
Printing & Stationery	13,346	72,876
Selling & Distribution expenses	3,26,432	16,07,817
Rent expenses	7,77,368	48,17,216
Repair & Maintenance-Others	4,25,147	9,97,457
Insurance Charges	50,798	6,53,274
Communication costs	9,80,847	28,40,445
Travelling & Conveyance expenses	28,56,131	5,27,751
Bank Charges	57,271	1,07,574
Lost in Transit	-	83,203
Bad debts written off	-	15,12,317
Miscellaneous expenses	9,572	36,894
	99,90,889	3,35,56,368

Payment to Auditors:

Audit fee	57,625	60,246
Tax audit fee	28,750	31,010
Limited review	34,500	34,350
	1,20,875	1,25,606

28. Earnings per share (EPS)

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

Loss after tax	(1,06,92,930)	(2,15,66,846)
<u>Number of equity shares for calculating EPS</u>		
Basic	1,58,31,511	99,10,000
Diluted	1,58,31,511	99,10,000
<u>Earning per share (EPS)</u>		
Basic	(0.68)	(2.18)
Diluted	(0.68)	(2.18)



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

29 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
-Trade receivables	-	12,57,84,829	-	21,63,604	-	2,20,30,172
-Cash and cash equivalent	-	2,73,93,267	-	2,23,839	-	2,94,529
Other Bank Balances	-	28,35,00,000	-	12,24,710	-	10,51,348
Other Financial Assets :						
-Loan to Employee	-	13,45,000	-	-	-	-
-Others	-	1,23,05,377	-	13,65,667	-	9,79,262
Total financial assets	-	45,03,28,473	-	49,77,820	-	2,43,55,311
Long-term borrowings	-	16,03,59,400	-	-	-	-
Short-term borrowings	-	1,58,86,232	-	1,30,23,110	-	2,37,66,489
Trade payables	-	12,82,78,579	-	1,68,58,221	-	3,43,33,639
Other Current Financial Liabilities	-	1,60,28,168	-	51,62,771	-	18,77,702
Total Financial liabilities	-	32,05,52,379	-	3,50,44,102	-	5,99,77,830

30 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 and bank balances that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management 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 and deposits. 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	5,55,417
INR	-50	(5,55,417)
31-Mar-16		
INR	50	(60,196)
INR	-50	60,196
01-Apr-15		
INR	50	(1,12,861)
INR	-50	1,12,861

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.

-Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have significant foreign currency risk.

3) Liquidity risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

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						
Borrowings (Non-Current)	-	-	-	16,03,59,400	-	16,03,59,400
Borrowings (Current)	1,58,86,232	-	-	-	-	1,58,86,232
Other financial liabilities(current)	-	1,60,28,168	-	-	-	1,60,28,168
Trade and other payables	-	12,82,78,579	-	-	-	12,82,78,579
Total	1,58,86,232	14,43,06,747	-	16,03,59,400	-	32,05,52,379



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	On Demand	Less than 3 Months	3-12 Months	1-5 Years	> 5 years	Total
Year ended 31-Mar-16						
Borrowings (Current)	1,30,23,110	-	-	-	-	1,30,23,110
Other financial liabilities(current)	-	51,62,771	-	-	-	51,62,771
Trade and other payables	-	1,68,58,221	-	-	-	1,68,58,221
Total	1,30,23,110	2,20,20,992	-	-	-	3,50,44,102
Year ended 01-Apr-15						
Borrowings						-
Borrowings (Current)	2,37,66,489	-	-	-	-	2,37,66,489
Other financial liabilities(current)	-	18,77,702	-	-	-	18,77,702
Trade and other payables	-	3,43,33,639	-	-	-	3,43,33,639
Total	2,37,66,489	3,62,11,341	-	-	-	5,99,77,830

-Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

31 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.

	As at 31 Mar 2017	As at 31 Mar 2016	As at 01 Apr 2015
Borrowings	17,62,45,632	1,30,23,110	2,37,66,489
Trade payables/Other payables	14,43,06,747	2,20,20,992	3,62,11,341
Less: cash and cash equivalents	31,08,93,267	14,48,549	13,45,877
Net debt	96,59,112	3,35,95,553	5,86,31,953
Equity	19,43,13,730	9,91,00,000	9,91,00,000
Reserve	(5,82,18,683)	(11,98,61,833)	(9,87,80,738)
Total capital	13,60,95,047	(2,07,61,833)	3,19,262
Capital and net debt	14,57,54,159	1,28,33,720	5,89,51,215
Gearing ratio	7%	262%	99%

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.



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32 Disclosures under Ind AS 19 - 'Employee Benefits' :

Gratuity and other post-employment benefit plans

The Company has a defined benefit gratuity plan which is not funded. 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 6 months.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the unfunded 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

Particulars	Gratuity 31-Mar-17 Rs.	Gratuity 31-Mar-16 Rs.
Current service cost	1,04,670	1,25,314
Interest cost on benefit obligation	36,377	52,282
Net actuarial(gain) / loss recognized in the period	-	-
Net benefit expense	1,41,047	1,77,596

Balance sheet

Benefit asset/ liability

Particulars	Gratuity 31-Mar-17 Rs.	Gratuity 31-Mar-16 Rs.
Present value of defined benefit obligation	(10,61,346)	(4,54,718)
Fair value of plan assets	-	-
Plan (liability)	(10,61,346)	(4,54,718)

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	4,54,718	6,74,612
Current service cost	1,04,670	1,25,314
Interest cost	36,377	52,282
Acquisition in	7,19,352	-
Acquisition Out	(3,65,401)	-
Actuarial (gains) / losses on obligation	1,11,630	(3,97,490)
Closing defined benefit obligation	10,61,346	4,54,718

Other Comprehensive Income

	Gratuity 31-Mar-17 Rs.	Gratuity 31-Mar-16 Rs.
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	(1,11,630)	3,97,490
Actuarial gain / (loss) for the year on Asset	-	-
Unrecognized actuarial gain/(loss) at the end of the year	(1,11,630)	3,97,490

The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the company's plans are shown below:

	Gratuity 31-Mar-17	Gratuity 31-Mar-16
Discount rate	7.35%	8.00%
Withdrawal rate	20.00%	20.00%
Increase in Compensation cost	8.00%	8.00%
Mortality table referred	IALM (2006-08) duly modified	

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:

Particulars	31-Mar-17 Rs.	31-Mar-16 Rs.	31-Mar-15 Rs.	30-Jun-14 Rs.	30-Jun-13 Rs.
Gratuity					
Defined benefit obligation	10,61,346	4,54,718	6,74,612	2,61,968	3,18,120
Plan assets	-	-	-	-	-
Surplus / (deficit)	(10,61,346)	(4,54,718)	(6,74,612)	(2,61,968)	(3,18,120)
Experience adjustments on plan liabilities (loss) / gain	(1,06,727)	3,90,691	(3,20,621)	2,03,995	3,43,211
Experience adjustments on plan assets	-	-	-	-	-



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Within next 12 months
Between 1-5 Years
Between 5-10 Years
Beyond 10 years

Sensitivity Analysis of the defined benefit obligation.

1) Impact of the change in discount rate

Present Value of Obligation at the end of the period	10,61,346
a) Impact due to increase of 0.50 %	(1,454)
b) Impact due to decrease of 0.50 %	1,527

2) Impact of the change in salary increase

Present Value of Obligation at the end of the period	10,61,346
a) Impact due to increase of 0.50 %	1,510
b) Impact due to decrease of 0.50 %	(1,453)

33 Sale of Business Division under slump sale agreement

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

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

Assets	
Non-current assets	
Property, Plant and Equipment	1,74,253
Intangible assets	4,07,104
Financial Assets	
Other non-current assets	-
	<u>6,61,357</u>
Current assets	
Inventories	7,28,973
Financial Assets	
Trade receivables	7,66,030
Cash and bank balances	32,822
Other Bank Balances	14,27,275
Other Financial Assets	62,091
Other current assets	24,77,898
	<u>54,95,089</u>
TOTAL	<u><u>61,56,446</u></u>
Equity and liabilities	
Non-current liabilities	
Long-term provisions	5,15,670
	<u>5,15,670</u>
Current liabilities	
Financial Liabilities	
Short-term borrowings	-
Trade payables	1,06,81,645
Other Financial liabilities	21,38,683
Other current liabilities	2,17,219
Short-term provisions	1,72,669
	<u>1,32,10,216</u>
TOTAL	<u><u>1,37,25,886</u></u>
Capital Reserve	75,69,440

The following statement shows the revenue and expenses of discontinuing operations, of the Company which has been discontinued W.e.f. June 1, 2016 as per Business transfer agreement.

Income	
Revenue from operations	81,55,193
Revenue from operations (net)	81,55,193
Other income	35,21,791
Total revenue (I)	<u><u>1,16,76,984</u></u>
Expenses	
Purchase of traded goods	57,47,234
(Increase) / Decrease in inventories of traded goods	10,20,623
Employee benefits expense	35,22,475
Depreciation and amortization expense	49,432
Finance costs	2,16,101
Other expenses	34,67,888
Total (II)	<u><u>1,40,23,753</u></u>
Profit (loss) before exceptional items and tax from continuing operations (I) – (II)	(23,46,769)



34. 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).

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

SPICE ONLINE PRIVATE LIMITED (Formerly known as Spice Online Retail Private Limited)
Balance Sheet as at 31 March 2016

Particulars	IGAAP as on 31 March 2016	Adjustment	Ind AS as on 31 March 2016
Assets			
Non-current assets			
Fixed assets			
Property, Plant and Equipment	1,87,710	-	1,87,710
Capital work-in-progress	-	-	-
Intangible assets	4,29,405	-	4,29,405
Goodwill	-	-	-
Financial Assets			
Investments	-	-	-
Trade receivables	-	-	-
Loans	80,000	-	80,000
Other Financial Assets	-	-	-
Other non-current assets	-	-	-
	<u>6,97,115</u>	-	<u>6,97,115</u>
Current assets			
Inventories	17,49,596	-	17,49,596
Financial Assets			
Trade receivables	21,63,604	-	21,63,604
Cash and bank balances	2,23,839	-	2,23,839
Other Bank Balances	12,24,710	-	12,24,710
Loans	-	-	-
Other Financial Assets	13,65,667	-	13,65,667
Current Tax Assets	32,57,340	-	32,57,340
Other current assets	48,54,360	-	48,54,360
	<u>1,48,39,116</u>	-	<u>1,48,39,116</u>
TOTAL	<u>1,55,36,231</u>	-	<u>1,55,36,231</u>



Equity and liabilities			
Shareholders' funds			
Share capital	9,91,00,000	-	9,91,00,000
Other Equity	(11,98,61,833)	-	(11,98,61,833)
	<u>(2,07,61,833)</u>	-	<u>(2,07,61,833)</u>
Non-current liabilities			
Trade payables	-	-	-
Other long-term liabilities	-	-	-
Long-term provisions	6,94,915	-	6,94,915
	<u>6,94,915</u>	-	<u>6,94,915</u>
Current liabilities			
Financial Liabilities			
Short-term borrowings	1,30,23,110	-	1,30,23,110
Trade payables	1,68,58,221	-	1,68,58,221
Other Financial liabilities	51,62,771	-	51,62,771
Other current liabilities	3,86,378	-	3,86,378
Short-term provisions	1,72,669	-	1,72,669
	<u>3,56,03,149</u>	-	<u>3,56,03,149</u>
TOTAL	<u><u>1,55,36,231</u></u>	-	<u><u>1,55,36,231</u></u>

SPICE ONLINE PRIVATE LIMITED (Formerly known as Spice Online Retail Private Limited)
Balance Sheet as at 1 April 2015

Particulars	IGAAP as on 1 April 2015	Adjustment	Ind AS as on 1 April 2015
Assets			
Non-current assets			
Fixed assets			
Property, Plant and Equipment	3,52,179	-	3,52,179
Intangible assets	21,86,017	-	21,86,017
Financial Assets			
Loans	80,000	-	80,000
	<u>26,18,196</u>	-	<u>26,18,196</u>
Current assets			
Inventories	2,80,27,563	-	2,80,27,563
Financial Assets			
Trade receivables	2,20,30,172	-	2,20,30,172
Cash and bank balances	2,94,529	-	2,94,529
Other Bank Balances	10,51,348	-	10,51,348
Loans	-	-	-
Other Financial Assets	9,79,262	-	9,79,262
Current Tax Assets	25,71,191	-	25,71,191
Other current assets	49,63,116	-	49,63,116
	<u>5,99,17,181</u>	-	<u>5,99,17,181</u>
TOTAL	<u><u>6,25,35,377</u></u>	-	<u><u>6,25,35,377</u></u>
Equity and liabilities			
Shareholders' funds			
Share capital	9,91,00,000	-	9,91,00,000
Other Equity	(9,87,80,738)	-	(9,87,80,738)
	<u>3,19,262</u>	-	<u>3,19,262</u>
Non-current liabilities			
Trade payables	-	-	-
Other long-term liabilities	-	-	-
Long-term provisions	9,72,127	-	9,72,127
	<u>9,72,127</u>	-	<u>9,72,127</u>
Current liabilities			
Financial Liabilities			
Short-term borrowings	2,37,66,489	-	2,37,66,489
Trade payables	3,43,33,639	-	3,43,33,639
Other Financial liabilities	18,77,702	-	18,77,702
Other current liabilities	10,85,468	-	10,85,468
Short-term provisions	1,80,690	-	1,80,690
	<u>6,12,43,988</u>	-	<u>6,12,43,988</u>
TOTAL	<u><u>6,25,35,377</u></u>	-	<u><u>6,25,35,377</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 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.



36. Reconciliation Statement of Profit and Loss as previously reported under IGAAP to Ind AS

Particulars	Note No	IGAAP as on 31 March 2016	Adjustment	Ind AS as on 31 March 2016
Revenue from operations	22	34,11,60,421	-	34,11,60,421
Other income (2)	23	1,35,737	-	1,35,737
Total Income (1 + 2)		34,12,96,158	-	34,12,96,158
Expenses:				
Purchases		27,80,15,083	-	27,80,15,083
(Increase) in inventories of traded goods		2,62,77,967	-	2,62,77,967
Employee benefits expense	24	2,12,92,116	4,85,751	2,17,77,867
Depreciation and amortization expense	26	19,61,006	-	19,61,006
Finance costs	27	12,74,713	-	12,74,713
Other expenses	25	3,35,56,368	-	3,35,56,368
Total expenses		36,23,77,253	4,85,751	36,28,63,004
Profit before exceptional items and tax		(2,10,81,095)	(4,85,751)	(2,15,66,846)
Exceptional items		-	-	-
Profit before tax		(2,10,81,095)	(4,85,751)	(2,15,66,846)
Tax expense:		-	-	-
(1) Current tax		-	-	-
(2) Deferred tax		-	-	-
(3) MAT credit entitlement/utilised		-	-	-
Profit (Loss) for the period		(2,10,81,095)	(4,85,751)	(2,15,66,846)
Other Comprehensive Income				
Items that will not be reclassified to profit or loss	28	-	4,85,751	4,85,751
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		(2,10,81,095)	-	(2,10,81,095)



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37 Details of Specified Bank Notes (SBN) held and transacted during the period from November 8th, 2016 to December 30th, 2016 are provided in the table below:

Particulars	SBNs	Other Denomination	(Amount in INR)
			Total
Closing Cash in hand as on 08.11.2016	-	-	997
(+) Permitted Receipts	-	26,000	26,000
(-) Permitted payments	-	17,834	17,834
(-) Amount Deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	9,163	9,163

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

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

Details of Guarantee provided

Name of the Party	Type of Guarantee	Cover	Assets pledged	Amount of Fixed Deposit	Amount of Guarantee provided
Hotspot Sales & Solutions Pvt. Ltd.	By Pledge	105%	Fixed Deposits	28,35,00,000	(28,35,00,000)

Details of Investments made (At cost):

Name of the Party	Investments made during the period	Share Issue
Hotspot Sales & Solutions Pvt. Ltd.	1,00,000	10,000

39 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.

40 Related Party Disclosures

a) Names of the Parties :

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

Holding Company Spice Connect Private Limited (formerly known as Smart Ventures Pvt. Ltd.) (Holding company of SML)
 Spice Mobility Limited (SML) (Holding company of OML)
 Omniventures Pvt. Ltd. (OML)

Subsidiary company : Hotspot Sales & Solutions Pvt. Ltd.

Fellow Subsidiaries with whom transactions have taken place during the year
 New Spice Sales and Solutions Ltd. (Formerly known as Spice Retail Ltd.)
 Spice Digital Ltd.
 Mobisoc Technology Pvt. Ltd
 Hindustan Retail Pvt. Ltd. (HRPL)

Name of the other related parties with whom transactions have taken place during the period New Idea Investment PTE Ltd.

b) Related party transactions attached as Annexure- 1

As per our attached report of even date
 For Gupta Garg & Agrawal
 Chartered Accountants
 FRN: 505762C

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



For and on behalf of the Board of Directors

Madhusudan Venkatachary
 Madhusudan Venkatachary
 Director
 DIN: 02650160

Gopal Sadani
 Gopal Sadani
 Company Secretary
 M. No. - A27683

Manish Kumar Sharma
 Manish Kumar
 Sharma
 Director
 DIN: 07496900

Place : Delhi
 Date : 11/05/2017

SPICE ONLINE PRIVATE LIMITED (Formerly known as Spice Online Retail Private Limited)
 Regd. Address: 60-D, Street No. C-5, Sainik Farms, New Delhi-110062
 CIN: U74140DL2008PTC183856
 Notes to Financial Statements for the year ended March 31, 2017

(Amount in Rs.)

Particulars	Holding Company		Subsidiaries			Fellow Subsidiaries			Other related parties with whom transactions have taken place during the year			Total	
	2016-17	2015-16	2016-17	2015-16	01-Apr-15	2016-17	2015-16	01-Apr-15	2016-17	2015-16	01-Apr-15	2016-17	2015-16
(A) Transactions													
Share Capital													
New Idea Investment Pte. Ltd.	-	-	-	-	-	-	-	-	9,52,13,730	-	-	9,52,13,730	-
Share Premium Received									6,48,78,270			6,48,78,270	
New Idea Investment Pte. Ltd.	-	-	-	-	-	-	-	-	6,48,78,270	-	-	6,48,78,270	-
Short Term Borrowing													
Hindustan Retail Private Limited									20,00,000	50,00,000		20,00,000	50,00,000
Mobisoc Technology Pvt. Ltd.									-	20,00,000		-	20,00,000
New Idea Investment Pte. Ltd.									-	16,03,59,400		-	16,03,59,400
Repayment of Short Term Borrowing													
Hindustan Retail Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-
Commission Received													
New Spice Sales and Solutions Limited (Spice Retail Limited)									18,021	1,74,877		18,021	1,74,877
Spice Digital Ltd.									-	-		-	-
Mobisoc Technology Pvt. Ltd.									-	-		-	-
Finance Cost									5,46,630	3,14,521		5,46,630	3,14,521
Hindustan Retail Private Limited									2,10,000	20,137		2,10,000	20,137
Mobisoc Technology Pvt. Ltd.									-	-		-	-
New Idea Investment Pte. Ltd.									65,07,336	-		65,07,336	-
Purchases (Excluding VAT)													
New Spice Sales and Solutions Limited (Spice Retail Limited)									7,45,75,840	2,04,53,487		7,45,75,840	2,04,53,487
Spice Digital Ltd.									27,90,000	2,99,50,000		27,90,000	2,99,50,000
Mobisoc Technology Pvt. Ltd.									-	-		-	-
Hotspot Sales & Solutions Pvt. Ltd.									4,05,31,824	-		4,05,31,824	-
Sales (Excluding VAT)													
New Spice Sales and Solutions Limited (Spice Retail Limited)									24,00,000	2,59,85,724		24,00,000	2,59,85,724
Spice Digital Ltd.									-	1,29,486		-	1,29,486
Hotspot Sales & Solutions Pvt. Ltd.									4,57,43,227	-		4,57,43,227	-
Rent Paid													
Spice Mobility Limited	5,70,839	35,34,961										5,70,839	35,34,961
Travelling Expenses													
Spice Digital Ltd.									57,024	1,08,602		57,024	1,08,602
Reimbursement of Expenses Received													
New Spice Sales and Solutions Limited (Spice Retail Limited)													
Reimbursement of Expenses Paid													
Spice Retail Limited													
Cellucore Retail India Pvt. Ltd.													
BHARAT IT SERVICES LIMITED													
Investment													
Hotspot Sales & Solutions Pvt. Ltd.									1,00,000	-		1,00,000	-



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 Regd. Address: 60-D, Street No. C-5, Sainik Farms, New Delhi-110062
 CIN: U74140DL2008PTC183856

Notes to Financial Statements for the year ended March 31, 2017

(Amount in Rs.)

Annexure-1 Particulars	Holding Company		Subsidiaries			Fellow Subsidiaries			Other related parties with whom transactions have taken place during the year			Total	
	2016-17	2015-16	2016-17	01-Apr-15	2015-16	2016-17	01-Apr-15	2015-16	2016-17	01-Apr-15	2015-16	2016-17	01-Apr-15
(B) Outstanding at the end of the year/period													
Creditors													
New Spice Sales and Solutions Limited (Spice Retail Limited)													
Spice Mobilise Limited	2,281	14,21,860		93,52,271		4,22,25,371	87,57,112		4,22,25,371		87,57,112		93,52,271
Spice Digital Ltd.				29,382			8,191		2,281		14,21,860		
Hotspot Sales & Solutions Pvt. Ltd.			4,04,74,407						4,04,74,407		8,191		29,382
Investment													
Hotspot Sales & Solutions Pvt. Ltd.			1,00,000						1,00,000				
Debtors													
Mobilise Technology Pvt. Ltd.													
Short Term Borrowing													
Hindustan Retail Private Limited						70,00,000	50,00,000		70,00,000		50,00,000		
Mobilise Technology Pvt. Ltd.						20,00,000	20,00,000		20,00,000		20,00,000		
New Idea Investment Pte. Ltd.						16,03,59,400			16,03,59,400				
Interest Payable													
Hindustan Retail Private Limited						7,75,036	2,83,069		7,75,036		2,83,069		
Mobilise Technology Pvt. Ltd.						2,07,123	18,123		2,07,123		18,123		
New Idea Investment Pte. Limited									65,07,336				

