

**SUNIL KUMAR**  
**CHARTERED ACCOUNTANTS**

FF-36, AZAD HOUSE, LAXMI NAGAR, NEW DELHI-110092

**Independent Auditor's Report**

To the Members of

New Spice Sales And Solutions Limited.

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of New Spice Sales And Solutions Limited ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2018, the statement of profit and loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and 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 statements that give a true and fair view of the state of affairs, financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with rule 7 of the Companies (Account) Rules, 2014 and the companies ( Indian Accounting Standards )Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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 provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In





making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the the Company as at 31<sup>st</sup> March, 2018, and 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.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of these books;
  - (c) The Balance Sheet, Statement of profit and Loss including the Statement of Other Comprehensive Income, the cash flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies ( Indian Accounting Standards )Rules, 2015;
  - (e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2" to this report;
  - (g) With respect to the other matters 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 impact on its financial position in its financial statements- Refer Note 23 C of the standalone financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.



Sunil Kumar  
Chartered Accountant  
FCP NO. 066881  
Membership No. 517943

Place: Delhi  
Date: 11/08/2018



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

Re: New Spice Sales And Solutions Limited ('the Company')

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
b) All fixed assets were physically verified by the management during the previous 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) According to the information and explanations given by the management, there are no immovable properties, include in Property, Plant & Equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
2. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of Companies Act, 2013. Accordingly, the provisions of clause 3(ii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, there are no loans guarantees, and securities granted in respect of which provisions of Sections 185 And 186 of the Companies Act 2013 are applicable and hence not commented upon. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the company has complied with provisions of Section 186 of the Companies Act 2013 in respect of investments made during the year.
5. The Company has not accepted any deposits from the public.
6. To the best of our knowledge and explained, the Central Government has not specified the maintenance of cost records under Section 148(i) of the Companies Act, 2013 for the products/services of the Company.
7. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' states insurance, income tax, sales-tax, services tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it though there has been slight delay in few cases.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' states insurance, income tax, sales-tax, services tax, customs duty, excise duty,

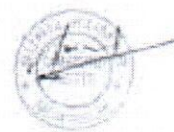




value added tax, cess and other material statutory dues were outstanding at the period end, for a period of more than six months from the date they became payable.

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

Name of Statute	Nature of Dues	Amount Involved	Vat recoverable	Net Amount	Period to Which the Amount relates	Forum where dispute is Pending
Bihar Sales Tax	Charger, Ex-Parte Order, Mismatch and Non Endorsement of Way Bill	41,116,229.00	2,982,681.00	38,133,548.00	2011-12, 2012-13, 2015-16	Joint Commissioner (Appeal), Central Div., Patna
Bihar Sales Tax	Concessional Form, Charger	11,951,682.00	1,469,189.00	10,482,493.00	2013-14, 2014-15	Jt. Commissioner of Commercial Taxes -Patna
Delhi Sales Tax	Concessional Form	19,268,969.00	-	19,268,969.00	2010-11, 2012-13	Asstt. Commissioner Appeals-Delhi
Goa Sales Tax	Concessional Form	72,463.35	-	72,463.35	2013-14	Goa Vat Deptt.
Haryana Sales Tax	Charger	1,698,602.00	-	1,698,602.00	2013-14	Haryana Vat Deptt.
Jharkhand Sales Tax	Concessional Form, Ex-Parte Order	1,932,899.00	-	1,932,899.00	2013-14, 2015-16	Jharkhand Vat Deptt.
Karnataka Sales Tax	Charger	15,948,424.00	4,784,527.00	11,163,897.00	2010-11, 2012-13, 2013-14	Karnataka Appellate Tribunal, Bangalore
Tamilnadu Sales Tax	Ex-Parte Order, ITC Disallow	6,381,987.00	1,705,545.00	4,676,442.00	2007-08, 2008-09, 2009-10, 2011-12, 2013-14	The Asstt. Commissioner (CT) Kodambakkam Circle
Telangana Sales Tax	Litigation of Mobile Vat Rate	61,438,752.00	-	61,438,752.00	2010-11 To 2013-14	CTO (INT), Hyderabad
Uttar Pradesh	Charger	23,633,718.83	6,217,279.00	17,416,439.83	2011-12, 2012-13, 2013-14, 2015-16	Addl. Comm.-Appeals -III (Noida) U.P.)
West Bengal	Ex-Parte Order, ITC Disallow	3,035,496.00	-	3,035,496.00	2011-12	Joint Commissioner (Appeal), Kolkata, South Circle





West Bengal	Ex-Parte Order, ITC Disallow, Concessional Form, ITC and stock transfer disallowance.	231,851,657.15	12,925,000.00	218,926,657.15	2012-13, 2013-14, 2014-15	Joint Commissioner (Appeal), Kolkata, North Circle
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8. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any bank or debenture holders. Further, the company did not have any dues in respect of a financial institution or government during the year.
9. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer (including debt instruments) and term loans. Hence reporting under clause (ix) is not applicable to the company and hence not commented upon.
10. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.
11. According to the information and explanations given by the management, the provisions of Section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
12. In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.
13. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
14. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or partly convertible debentures during the year under review. The Company has complied with the provisions of Section 42 of the Companies Act, 2013 in respect of the preferential issue of fully convertible debentures to its holding Company, Hindustan Retail Private Limited.





15. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them.

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



Sunil Kumar  
Chartered Accountant  
FCP NO. 066881  
Membership No. 517943

Place: Delhi  
Date: 11/08/2018



## **ANNEXURE 2 TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF NEW SPICE SALES AND SOLUTIONS LIMITED**

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

To the Members of New Spice Sales And Solutions Limited

We have audited the internal financial controls over financial reporting of New Spice Sales And Solutions Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone 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 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.

### **Auditors' 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 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 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 unauthorized 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, 2018, 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.



Sunil Kumar  
Chartered Accountant  
FCP NO. 066881  
Membership No. 517943

Place: Delhi  
Date: 11/08/2018



Balance Sheet as at March 31, 2018

Particulars	Notes	31-Mar-18 Rs.(000's)	31-Mar-17 Rs.(000's)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3	-	-
Capital work-in-progress	3	-	-
Other Intangible Assets	4	-	-
Intangible asset under development	4	-	-
<b>Financial Assets</b>			
(i) Investments	5	-	-
(ii) Loans and advances	6	-	-
(iii) Other Financial Assets	7	-	-
Other assets	8	-	-
<b>Current assets</b>			
Inventories	9	-	-
<b>Financial Assets</b>			
(i) Trade Receivables	10	-	-
(ii) Cash and Cash equivalents	11	-	-
(iii) Other Bank Balances	11	-	-
(iv) Loans and advances	6	-	-
(v) Others Financial Assets	7	-	-
Current Tax assets	12	-	-
Other assets	8	-	-
Assets directly associated with discontinued business	34	97,616	196,425
<b>TOTAL ASSETS</b>		<b>97,616</b>	<b>196,425</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity Share capital	13	997,174	997,174
Other Equity		(2,294,940)	(2,244,643)
		<b>(1,297,766)</b>	<b>(1,247,469)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	14	-	-
(ii) Other financial Liabilities	15	-	-
Provisions	16	-	-
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
(i) Current Borrowings	17	-	-
(ii) Trade payables	18	-	-
(iii) Other Financial Liabilities	19	-	-
Other Liabilities	20	-	-
Provisions	16	-	-
Liabilities directly related to discontinued business	34	1,395,381	1,443,894
		<b>1,395,381</b>	<b>1,443,894</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>97,616</b>	<b>196,425</b>

Summary of significant accounting policies

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

As per our report of even date

For Sunil Kumar  
Chartered Accountants

Sunil Kumar

Membership no.: 517943  
FCP no.: - 066841

Place: Noida

Date: 11.08.2018

For and on behalf of the board of directors of New Spice Sales and Solutions Limited

Amandeep Singh

Director  
DIN: 05355401

Ravindra Kumar Sarawagi

Director  
DIN: 07496783



New Spice Sales and Solutions Limited (Formerly Known as Spice Retail Limited)

CIN: U32201HP1988PLC008020

Regd. Address: Village Billanwali Labana, Post Office - Baddi, Tehsil Nalagarh, Baddi, Himachal Pradesh - 173205

Statement of Profit & Loss for Year ended March 31, 2018

Particulars	Notes	For the Year ended March 31, 2018 (Rs. '000)	For the Year ended March 31, 2017 (Rs. '000)
<b>Continuing operations</b>			
(Loss) for the year from continuing operations (a)		-	-
<b>Discontinued operations</b>			
(Loss) before tax for the year from discontinued operations		(88,828)	(233,433)
Tax adjustment related to earlier years		-	-
(Loss) for the year from discontinued operations (b)		(88,828)	(233,433)
<b>(Loss) for the year (a+b)</b>		<b>(88,828)</b>	<b>(233,433)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss - continuing operations		-	-
Items that will be reclassified to profit or loss		-	-
Income Tax relating to items that will be reclassified to profit or loss		-	-
Remeasurements of net defined benefit liability/asset		-	-
Items that will not be reclassified to profit or loss - discontinuing operations		-	-
Remeasurements of net defined benefit liability/asset		-	1,605
<b>Total Comprehensive Income for the year (Comprising (Loss) and Other Comprehensive Income for the year)</b>		<b>(88,828)</b>	<b>(231,828)</b>
<b>Earnings per equity share from continuing business</b>			
(1) Basic	21	-	-
(2) Diluted		-	-
<b>Earnings per equity share from discontinued business</b>			
(1) Basic		(0.89)	(2.59)
(2) Diluted		(0.89)	(2.59)
<b>Earnings per equity share from continuing/discontinued business</b>			
(1) Basic		(0.89)	(2.59)
(2) Diluted		(0.89)	(2.59)
Summary of significant accounting policies	2		

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

Summary of significant accounting policies

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

As per our report of even date

For Sunil Kumar  
Chartered Accountants



Membership no.: 517943

FCP No.: 066881

Place: Noida

Date: 11.08.2018

For and on behalf of the board of directors of New Spice Sales and Solutions

Amandeep Singh

Director  
DIN: 05356101

Ravindra Kumar Sarawagi

Director  
DIN: 07496783



Statement of cash flows for year ended March 31, 2018

Particulars	For the Year ended March. 31, 2018 (Rs. '000)	For the year ended March 31, 2017 (Rs. '000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	(88,828)	(233,433)
Adjustments for:		
- Depreciation / amortisation	-	29,216
- Loss on disposal of fixed assets (net)	(46)	(147)
- Provisions and unclaimed balances written back	(29,897)	(22,651)
- Exceptional item	-	(30,225)
- Diminution in the value of non-current investments	-	-
- Unrealised exchange loss/(gain) (net)	1,785	-
- Interest expense	71,375	39,615
- Interest income	(3,531)	(6,102)
- Provision for doubtful debts and advances (net)	-	33,450
- Bad debts and advances written off	20,968	-
<b>Operating (loss) / profit before working capital changes</b>	<b>(28,172)</b>	<b>(190,277)</b>
<b>Movements in working capital:</b>		
(Increase) / Decrease in inventories	1,728	329,633
Decrease in trade receivables	38,580	391,356
Decrease / (Increase) in non-current loans and advances	-	3,175
(Increase) in current loans and advances	6,754	32,656
(Increase) in current assets	8,067	-
Increase in other non-current liabilities	(5,410)	(3,275)
Increase/ (Decrease) in other current liabilities	(19,692)	(150,502)
(Decrease) in trade payables	(20,044)	(1,095,572)
Increase/ (Decrease) in non-current provisions	(2,471)	153
Increase/ (Decrease) in current provisions	(27,661)	(121,815)
<b>Cash generated/(used in) from operations</b>	<b>(48,320)</b>	<b>(804,468)</b>
Direct taxes paid (net of refunds)	14,485	18,586
<b>Net cash from / (used in) operating activities (A)</b>	<b>(33,835)</b>	<b>(785,882)</b>
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>		
Purchase of fixed assets (including capital work in progress and capital advances)	-	(3,296)
Proceeds from sale of fixed assets	46	2,391
Interest received	3,597	9,305
Fixed deposits refunded by banks	53,625	259,352
Fixed deposits made with banks	(41,975)	(53,645)
<b>Net cash (used in) / from investing activities (B)</b>	<b>15,293</b>	<b>214,107</b>
<b>CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>		
Interest paid	(30,135)	(69,651)
Issuance of share capital	-	150,000
Issuance of Debts	290,000	623,500
(Repayment) / proceeds from short term borrowings	(237,832)	(185,164)
Loans taken from body corporate	-	-
Loans repaid back to body corporate	-	-
<b>Net cash (used in) financing activities (C)</b>	<b>22,034</b>	<b>518,685</b>
<b>Net Increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>3,491</b>	<b>(53,090)</b>
Cash and cash equivalents at the beginning of the year	4,966	65,134
Cash and cash equivalents of business transferred during the year	-	(7,078)
<b>Cash and cash equivalents at the end of the year</b>	<b>8,457</b>	<b>4,966</b>
<b>Components of cash and cash equivalents:</b>		
Cash on hand	4	16
With banks	-	-
- on current account	8,453	4,950
<b>Total cash and cash equivalents (note 16)</b>	<b>8,457</b>	<b>4,966</b>
Summary of significant accounting policies	2.1	

Notes:

- The Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard 7 on Cash Flow Statements notified by Companies Accounting Standard Rules, 2006 (as amended).
- Negative figures have been shown in brackets.

As per our report of even date

For Sunil Kumar  
Chartered Accountants

Sunil Kumar

Membership no.: 517943  
FCP No. - 066891

Place: Noida

Date: 11.08.2018

For and on Behalf of the board of directors of New Spice Sales and Solutions Limited

Amandeep Singh

Director

DIN: 05356101

Ravindra Kumar Sarawagi

Director

DIN: 07496783



**New Spice Sales and Solutions Limited (Formerly Known as Spice Retail Limited)**  
**CIN: U32201HP1988PLC008020**  
**Regd. Address: Village Billanwall Labana, Post Office - Baddi, Tehsil Nalagarh, Baddi, Himachal Pradesh – 173205**

**Statement of changes in Equity(SOCE)**

Particulars	"Amount in Rs. 000"	
	As at 31 Mar 2018	As at 31 Mar 2017
<b>Equity</b>		
Number of shares	99,717,401	99,717,401
Equity Share Capital	997,174	997,174
<b>Total</b>	<b>997,174</b>	<b>997,174</b>
<b>Other Equity</b>		
<b>Reserves &amp; Surplus</b>		
a) Securities premium account*	399,503	399,503
*This reserve represents amount of premium recognised on issue of shares to shareholders at a price more than its face value		
b) Amalgamation Reserve *	1,292,347	1,292,347
* Represents difference between the shares issued by the Company as consideration and the net assets acquired upon amalgamation of another company with the company in an earlier year.		
c) Capital Reserve*	844,347	844,347
* Pursuant to board of director decisions in the previous year the company had entered into slump sale agreement with Hotspot sales and solution private limited to sell its assets and liabilities of retail business on going concern basis. The reserve represents the difference between the amount of consideration received and the net asset value of the retail division.		
d) Retained Earnings *		
Opening Balance	(4,881,174)	(4,649,346)
(Loss) for the year	(88,828)	(231,828)
Other Comprehensive Income for the year		
-Remeasurement gain of defined benefit plan		
Closing Balance	<b>(4,970,002)</b>	<b>(4,881,174)</b>
* Retained earnings refer to net loss of the Company till the date of financial statements.		
e) Equity portion of compulsorily convertible debentures (Refer Note 14)	138,865	100,732
	<b>(2,294,940)</b>	<b>(2,244,643)</b>

As per our report of even date

For Sunil Kumar  
 Chartered Accountants  
  
 Sunil Kumar  
 NEW DELHI

Membership no.: 517947  
 FCP No. - 066881

Place: Noida  
 Date:

11.08.2018

For and on behalf of the board of directors of New Spice Sales and Solutions Lim

  
 Amandeep Singh  
 Director  
 DIN: 05356101

  
 Ravindra Kumar Sarawagi  
 Director  
 DIN: 07496783



**Notes to accounts**

**1. Corporate information**

The financial statements comprise financial statements of New Spice Sales and Solutions Limited ("the Company") for the year ended March 31, 2018. The Company is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company was engaged in the business of trading of Spice branded mobile handsets through distribution network ("devices business") and multi-brand mobile handsets and related accessories through a chain of retail outlets across India ("retail business").

The registered office of the Company is located at Village Billanwali Labana, Post Office - Baddi, Tehsil Nalagarh, Baddi, Himachal Pradesh – 173205.

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

During the previous year, the Company has assigned Spice Trademarks to another entity vide a Trademark assignment agreement signed with that party. The Company has accordingly discontinued the use of assigned trademarks in relation to the device business.

The name of Company was changed from Spice Retail Limited to New Spice Sales and Solutions Limited with effect from September 5, 2016.

The financial statements were authorised for issue in accordance with a resolution of the directors on 11 August, 2018.

**2. Significant accounting policies**

**2.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) (Amendment) Rules, 2016. The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013 ("the Act").

The financial statements have been prepared on a historical cost basis, except for the following financial assets and liabilities which have been measured at fair value:

Derivative financial instruments;

Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);

Defined benefit plans – plan assets measured at fair value;

During the year, Company continued to hold assets pertaining to discontinued business and has liquidated the assets and liabilities pertaining to the discontinued business.

The financial statements are presented in Rs. and all values are rounded to the nearest thousand (Rs. 000), except when otherwise indicated.

**2.2 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 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.

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.

**B. Foreign currencies**

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

**Transactions and balances**

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

Exchange differences, that arise 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).





## Derivative financial instruments

The Company used derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives were carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses that arise from changes in the fair value of derivatives are taken directly to profit or loss.

### 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.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Company decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

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.

The Company, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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. Revenue recognition**

Revenue was 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 was 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.

##### **Rendering of services**

Revenue from services rendered towards VAS and airtime commission was recognised as and when the services are rendered.

##### **Interest income**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, 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 but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

#### **F. 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 statement of profit and 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 re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax 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.

#### **G. 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.





## H. Property, plant and equipment

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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 Company used to calculate depreciation on a straight-line basis over the estimated useful lives of the assets as follows:

- Leasehold Improvement : 2 to 9 years, or useful life, whichever is lower (device business)
- Leasehold Improvement : 3 years or unexpired lease, whichever is earlier (retail business)
- Plant and equipment : 15 years
- Furniture and Fittings\* : 8 to 10 years
- Office Equipment (excluding mobile handsets) : 5 years
- Mobile Handsets\* : 2 years
- Computers (excluding server) : 3 years
- Servers : 6 years

\*The Company, based on assessment made, used to depreciate certain items of furniture and fittings; and mobile handsets over estimated useful lives which were different from the useful life prescribed in Schedule II to the Companies Act, 2013.

Since the Company has discontinued its operations during the previous year, property, plant and equipment have been fully depreciated in the books.

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 Statement of Profit & Loss 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.

## I. Intangible assets

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2015 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

Intangible assets (software) acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Based on management assessment cost of software was being amortized over their estimated useful life of 6 years on straight line basis; and cost of other tangible assets are amortized over their estimated useful life of 3 years on straight line basis.

Since the Company has discontinued its operations during the year, the property, plant and equipment have been fully depreciated in the books

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with Ind AS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

## J. Investment in subsidiaries

Investment in subsidiaries are measured initially at costs. Subsequent to initial recognition, investments are stated at cost less impairment loss, if any.

Investment in subsidiaries are derecognised when they are sold or transferred. The difference between the net proceeds on sales and the carrying amount of the asset is recognised in the statement of Profit and loss in the period of derecognition.

## K. 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.

## L. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a 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.





#### M. Inventories

Inventories comprise of trading goods which are valued at the lower of cost and net realisable value.

Cost of traded goods 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.

#### N. 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.

#### O. 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.

#### P. Warranty

The Company was providing warranty on spice brand handsets. Provisions for warranty-related costs are recognised when the product is sold. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

#### Q. 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. The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The liability as at the year-end represents the difference between the actuarial valuation of the gratuity liability of continuing employees and the fair value of the plan assets with the Life Insurance Corporation of India (LIC) as at the end of the year. During the year 2017, Company has fully used funds for gratuity plan. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

c. 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

The Company treats accumulated leave expected to be carried forward beyond twelve months as long term employee benefit for measurement purpose & such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non current liability.

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 statement of profit and 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





## 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 four 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 statement of profit and loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 10.

#### Equity Investments

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

#### 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 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 recognised as an impairment gain or loss in statement of profit and 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 statement of profit and 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 statement of profit and 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 and 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. Convertible debentures**

Convertible debentures are separated into liability and equity components based on the terms of the contract. On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. The carrying amount of the conversion option is not remeasured in subsequent years.

### **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.

## **2.3 Recent Accounting pronouncements**

### **Standards issued but not yet effective**

**The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial**

The Ministry of Corporate Affairs (MCA) has Issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standards:

#### **Amendments to Ind AS 7, Statement of Cash Flows**

The amendments to Ind AS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 April 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

#### **Amendments to Ind AS 102, Share-based Payment**

The MCA has issued amendments to Ind AS 102 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for annual periods beginning on or after 1 April 2017. The Company is assessing the potential effect of the amendments on its financial statements.

The Company is evaluating the requirements of the amendment and the impact on the financial statements will be given in due course. Currently the provisions of Ind AS 102 are not applicable to the Company as there are no cash-settled awards.





Notes to Balance Sheet

3 Property, Plant and Equipment

Particulars	Plant & Equipment	Furniture and Fittings	Office Equipments	Computers	Leasehold Improvement	Capital Work in Progress	Total
Cost or Valuation As at 1st April '16	3,383	27,498	16,923	15,902	37,402	338	101,446
Additions	-	325	-	36	1,104	-	1,465
Disposals	-	4,400	1,605	3,507	4,270	338	14,121
Asset Transfer under slump sale	-	22,790	12,652	6,069	33,185	-	74,695
Assets directly associated with discontinued business (Refer No. 34)	3,383	633	2,666	6,362	1,051	-	14,095
At 31 Mar 2017	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Disposals / Capitalised during the year	-	-	-	-	-	-	-
At 31 Mar 2018	-	-	-	-	-	-	-
Depreciation and Impairment							
At 1 April 2016	460	8,369	7,289	6,740	17,837	-	40,695
Charge for the year	2,923	1,861	2,248	3,936	2,304	-	13,271
Disposals	-	4,400	1,532	1,336	4,270	-	11,538
Assets directly associated with discontinued business (Refer No. 34)	3,383	633	2,666	6,362	1,051	-	14,095
At 31 Mar 2017	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
At 31 Mar 2018	-	-	-	-	-	-	-
Net Book Value							
At 31 Mar 2017	-	-	-	-	-	-	-
At 31 Mar 2018	-	-	-	-	-	-	-



\*Amount in Rs. 000\*



4 Intangible assets

Particulars	Software	Web site Development	Intangible Assets under development	Total
<b>Cost or Valuation</b>				
As at 1st April'16				
Additions	25,678	807	253	26,738
Disposals	-	-	-	-
Assets directly associated with discontinued business (Refer No. 34)	-	-	253	253
At 31 Mar 2017	21,669	-	-	21,669
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 Mar 2018	-	-	-	-
<b>Depreciation and Impairment</b>				
At 1 April 2016				
Charge for the year	8,448	319	-	8,767
Disposals	15,892	53	-	15,945
Assets directly associated with discontinued business (Refer No. 34)	2,670	372	-	3,043
At 31 Mar 2017	21,669	-	-	21,669
Charge for the year	-	-	-	-
At 31 Mar 2018	-	-	-	-
<b>Net Book Value</b>				
At 31 Mar 2017	-	-	-	-
At 31 Mar 2018	-	-	-	-





**5. Non current Investments**

	31-Mar-18 Rs. '000	31-Mar-17 Rs. '000
<b>Non current Investments</b>		
Investment in equity instruments of Subsidiaries (unquoted) carried at cost unless otherwise stated		
50,000,000 (March 2017:50,000,000) Unquoted fully paid up equity shares of Rs. 10 each in Cellucorn Retail India Private Limited		
(Provision for impairment in the value of investment made in earlier year)		
	-	-
	-	-

**6. Loans and advances**

	Non-current		Current	
	31-Mar-18 Rs. '000	31-Mar-17 Rs. '000	31-Mar-18 Rs. '000	31-Mar-17 Rs. '000
<b>Loans to employees</b>				
Unsecured, considered good	-	-	-	-
Unsecured, considered doubtful	-	-	-	-
Provision for doubtful advances	-	-	-	-
<b>Loan and advances to related parties</b>				
Unsecured, considered good	-	-	-	-
Unsecured, considered doubtful	-	-	-	-
Provision for doubtful advances	-	-	-	-
<b>Total</b>	-	-	-	-

Since the Loans and advances pertains to discontinued business, the amount outstanding of Rs.759 thousand (March 31, 2017: Rs. 864 thousand) has been disclosed separately under Assets related to discontinued business (Refer Note 34).

**7. Other Financial Assets**

	Non-current		Current	
	31-Mar-18 Rs. '000	31-Mar-17 Rs. '000	31-Mar-18 Rs. '000	31-Mar-17 Rs. '000
<b>Security deposits</b>				
Unsecured, considered good	-	-	-	-
Unsecured, considered doubtful	-	-	-	-
Provision for doubtful security deposit	-	-	-	-
<b>Advances recoverable in cash or kind</b>				
Unsecured, considered good	-	-	-	-
Unsecured, considered doubtful	-	-	-	-
Provision for doubtful advances	-	-	-	-
<b>Others</b>				
Deposit with maturity more than 12 months (Refer Note 11)	-	-	-	-
Interest accrued on fixed deposits	-	-	-	-
Interest accrued on loan to employees	-	-	-	-
Income accrued but not billed	-	-	-	-
	-	-	-	-
	-	-	-	-

Since other financial assets pertains to discontinued business, the amount outstanding of Rs. 642 Thousand (March 31, 2017: Rs. 7,357 thousand) has been disclosed separately under Assets related to discontinued business (Refer Note 34).

**8. Other Assets**

	Non-current		Current	
	31-Mar-18 Rs. '000	31-Mar-17 Rs. '000	31-Mar-18 Rs. '000	31-Mar-17 Rs. '000
<b>Advance to Suppliers</b>				
Unsecured, considered good	-	-	-	-
Unsecured, considered doubtful	-	-	-	-
Provision for doubtful advances	-	-	-	-
Capital advance	-	-	-	-
Security Deposits (Non financial)	-	-	-	-
Prepaid rent	-	-	-	-
Prepaid expenses	-	-	-	-
Interest accrued on income tax refund	-	-	-	-
Interest accrued on VAT refund	-	-	-	-
Balances with statutory / government authorities	-	-	-	-
	-	-	-	-
<b>Total</b>	-	-	-	-

Since other assets pertains to discontinued business, the other assets of Rs.39,858 thousand (March 31, 2017: Rs. 47,925 thousand) has been disclosed separately under Assets related to discontinued business (Refer Note 34).





**9. Inventories (valued at lower of cost or net realizable value)**

	31-Mar-18 Rs. '000	31-Mar-17 Rs. '000
Traded goods (Including stock in transit Rs Nil (31st March 2017: Rs. Nil))	-	-
Service components and spares (Including stock in transit Rs. Nil (31st March 2017: Rs.Nil))	-	-

Since Inventory pertains to discontinued business, the inventory of Rs. Nil (March 31, 2017: Rs. 1,728 thousand) has been disclosed separately under Assets related to discontinued business (Refer Note 34).

**10. Trade Receivables**

	Non-current		Current	
	31-Mar-18 Rs. '000	31-Mar-17 Rs. '000	31-Mar-18 Rs. '000	31-Mar-17 Rs. '000
Trade Receivable	-	-	-	-
Trade Receivable from related parties (Refer Note No 24)	-	-	-	-
<b>Total</b>	-	-	-	-
<b>Breakup for Security Details:-</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
Unsecured, considered doubtful	-	-	-	-
Provision for doubtful receivables	-	-	-	-

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member, except for cases mentioned in Note 24. For terms and conditions relating to related party receivables, refer Note 24.

Since the company has discontinued operations, trade receivables are non interest bearing and are generally more than 180 days.

Since Trade Receivables pertains to discontinued business, the amount outstanding of Rs. 725 thousand (March 31, 2017: Rs. 60,273 thousand) has been disclosed separately under Assets related to discontinued business (Refer Note 34).

**11. Cash and bank balances**

	Non-current		Current	
	31-Mar-18 Rs. '000	31-Mar-17 Rs. '000	31-Mar-18 Rs. '000	31-Mar-17 Rs. '000
<b>Cash and cash equivalents</b>				
<i>Balances with banks:</i>				
- On current accounts	-	-	-	-
Deposit with remaining maturity of less than three month	-	-	-	-
Cash on hand	-	-	-	-
<b>Other bank balances</b>				
Margin Money Deposit:				
- Deposits with remaining maturity for more than 12 months	-	-	-	-
- Deposits with remaining maturity of more than 3 months but less than 12 months	-	-	-	-
Amount disclosed under non-current assets (note 7)	-	-	-	-

**Margin money deposits given as security**

Margin money Deposits with a carrying amount of 41,975 thousand (March 31, 2017 Rs. 53,645 thousand) are pledged with banks/ government authorities.

Since Cash & Cash equivalents pertains to discontinued business, the amount outstanding of Rs. 50,429 thousand (March 31, 2017: Rs. 58,590 thousand) has been disclosed separately under Assets related to discontinued business (Refer Note 34).

**12. Current Tax Asset**

	31-Mar-18 Rs. '000	31-Mar-17 Rs. '000
Advance income-tax	-	-
<b>Total</b>	-	-

Since Current tax asset pertains to discontinued business, the amount of Rs. 5,203 thousand (March 31, 2017: Rs. 19,687 thousand) has been disclosed separately under Assets related to discontinued business (Refer Note 34).





### 13. Share Capital

Particulars	As at	As at
	31 Mar 2018	31 Mar 2017
<b>Authorized</b>		
100,000,000 (March 31, 2017: 100,000,000) Equity Shares of Rs. 10 each	1,000,000	1,000,000
<b>Issued, subscribed and fully paid-up</b>		
99,717,401 (March 31, 2017: 99,717,401) Equity Shares of Rs. 10/- each	997,174	997,174
	997,174	997,174

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

	Nos.	Rs. '000
Outstanding at the end of the year as at March 31, 2017	99,717,401	997,174
Outstanding at the end of the year as at March 31, 2018	99,717,401	997,174

#### (b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### (c) Shares held by holding company

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

	As at	As at
	31 Mar 2018	31 Mar 2017
<b>Holding Company</b>		
Hindustan Retail Private Limited, the holding company		
99,717,401 (March 31, 2017: 99,717,401) Equity Shares of Rs. 10/- each fully paid up	997,174	997,174

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

Name of the shareholder	As at		As at	
	31 Mar 2018	% holding in the class	31 Mar 2017	% holding in the class
Equity shares of Rs 10 each fully paid	Nos.		Nos.	
Hindustan Retail Private Limited, the holding company	99,717,401	100.00%	99,717,401	100.00%

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

(e) No shares have been allotted without payment of cash or by way of bonus shares during the period of five years immediately preceding the balance sheet date.





14. Non Current borrowings  
Unsecured  
Compulsorily Convertible Debentures

	31-Mar-18 Rs. '000	31-Mar-17 Rs. '000
	-	-

Zero Interest Debentures

Compulsorily Convertible Debentures ("CCD") of Rs 9,13,500 (March 31, 2017: Rs. 6,23,500 thousand) have been issued to Hindustan Retail Private Limited ( Holding company) during the year. These CCDs are unsecured with zero coupon rate and are compulsorily convertible to equity on and before 31st December 2018 at a price per equity share to be arrived at the time of conversion of CCDs into equity shares on the basis of valuation as on that date. The Company has amortised debentures at 9%. The differential of Rs 1,38,865 thousand (March 2017: 1,00,332 thousand) between the amount received and the fair value (at amortised cost) on initial recognition has been regarded as equity and disclosed separately as 'Equity portion of compulsorily convertible Debentures' under other equity (refer SOCIE).The Debentures do not carry any debt covenant.

Since the borrowing pertains to discontinued business ,the amount outstanding of Rs. 8,54,255 thousand (March 31, 2017: Rs. 5,33,412 thousand) has been disclosed separately under liabilities related to discontinued business (Refer Note 34).

15. Other Financial Liabilities

	31-Mar-18 Rs. '000	31-Mar-17 Rs. '000
At amortised Cost	-	-
Security Deposits	-	-

Since the other financial liabilities pertains to discontinued business ,the amount outstanding of Rs. 14,379 thousand (March 31, 2017: Rs. 19,879) thousand has been disclosed separately under liabilities related to discontinued business (Refer Note 34).

16. Provisions

	Long-term		Short-term	
	31-Mar-18 Rs. '000	31-Mar-17 Rs. '000	31-Mar-18 Rs. '000	31-Mar-17 Rs. '000
<b>Provision for employee benefits</b>				
Provision for gratuity (Note 22)	-	-	-	-
Provision for leave benefits	-	-	-	-
<b>Other provisions</b>				
Provision for warranties	-	-	-	-

Provision for warranties

A provision was recognized for expected warranty claims on products sold during last one year, based on past experience of level of customer service expenses. Assumptions used to calculate the provision for warranties were based on past trend of sales of mobile handsets and customer service expenses incurred. During the year the company has reversed excess warranty provision made amounting to Rs. 24,258 thousand, as there is no obligation on part of the company. During the year, sales made out of discontinued business, do not carry any condition for warranty.

	31-Mar-18 Rs. '000	31-Mar-17 Rs. '000
At the beginning of the year	24,258	129,851
Arising during the year	-	39,277
Utilized/ Reversed during the year	24,258	144,870
<b>At the end of the year*</b>	-	24,258
Current portion	-	24,038
Non-current portion	-	220

\* warranty provision pertains to discontinued business, the amount outstanding of Rs. NIL (March 31, 2017: Rs. 24,258 thousand) in respect of closing provision has been disclosed separately under liabilities related to discontinued business (Refer Note 34)

Since the Provision for Gratuity & Leave benefits pertains to discontinued business ,the amount outstanding of Rs. 1,712 thousand (March 31, 2017: Rs. 7,586 thousand) has been disclosed separately under liabilities related to discontinued business (Refer Note 34).





17. Short term borrowings

	31-Mar-18 Rs. '000	31-Mar-17 Rs. '000
<b>Secured</b>		
Bills discounted from a bank*	-	-
Buyer's Credit from Bank**	-	-
<b>Unsecured loan from related party (refer note no 24)</b>		
8% interest bearing loan and advances from Spice Mobility Limited, the holding company, repayable on demand	-	-
11% interest bearing loan from a related party repayable on demand	-	-
11% interest bearing loan from Hindustan Retail Private Limited, the holding company, repayable on demand	-	-
10.5% (Previous period NIL) interest bearing loan from Hindustan Retail Private Limited, the holding company, repayable on demand	-	-
Interest bearing loan from a related party repayable on demand	-	-
	-	-

**The above amount includes**

Unsecured borrowings

Secured borrowings

\* The bill discounting facility is obtained from HDFC Bank, the tenor for which is 60 days and the rate of interest charged by the bank is 11.5% p.a. The facility has been secured by way of:

1. Exclusive charge over present and future movable fixed assets and current assets of the Company.
2. Equitable mortgage of 19A,19B, Sector-125, Noida, by Holding company.
3. Corporate Guarantee of the holding company, Spice Mobility Limited.
4. 4 PDCs of Rs. 25,000 thousand each from the Company.

\*\* The Buyers Credit facility is obtained from HDFC Bank, the tenor for which is 180 days and the rate of interest charged by the bank is libor plus 0.85-1.10 basic points. The facility has been secured by way of:

1. Exclusive charge over present and future movable fixed assets and current assets of the Company.
2. Equitable mortgage of 19A,19B, Sector-125, Noida, by Holding company.
3. Corporate Guarantee of the holding company, Spice Mobility Limited.

**Secured Loan Covenants**

The Bank loan contains covenants. The Debt covenants relating to limitation on indebtedness covenants get suspended, if company meets certain prescribed criteria. The Debt covenants related to limitation on indebtedness remained suspendeds of the date of the authorisation of the Financial statement. The company has also satisfied all other Debt covenants prescribed. The unsecured loan do not carry any Debt covenant.

Since the Unsecured loan from Related parties pertains to discontinued business, the amount outstanding of Rs. 60,302 thousand (March 31, 2017: Rs 35,179 thousand) has been disclosed separately under liabilities related to discontinued business (Refer Note 34).





**18. Trade Payables**

	31-Mar-18 Rs. '000	31-Mar-17 Rs. '000
Trade payables (refer note 31 for details of dues to Micro and small enterprises)	-	-
Trade Payable to related parties	-	-

Since Trade Payables pertains to the discontinued business, the amount outstanding of Rs. 4,37,819 thousand (March 31, 2017: Rs. 4,83,692 thousand) has been disclosed separately under liabilities related to discontinued business (Refer Note 34).

**19. Other Financial liabilities**

	31-Mar-18 Rs. '000	31-Mar-17 Rs. '000
Interest accrued but not due on borrowings	-	-
Interest accrued and due on borrowings	-	-
Creditor for Capital Goods	-	-
Forward contract payable	-	-
Unaccrued Income	-	-
Employee related liabilities	-	-

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-120-day terms
- Interest payable is normally settled quarterly throughout the financial year
- For terms and conditions with related parties, refer to Note 24.

For explanations on the Company's credit risk management processes, refer to Note 29.

Since Other Financial Liabilities pertains to the discontinued business, the amount outstanding of Rs. 2,589 thousand (March 31, 2017: Rs. 33,007 thousand) has been disclosed separately under liabilities related to discontinued business (Refer Note 34).

**20. Other current liabilities**

	31-Mar-18 Rs. '000	31-Mar-17 Rs. '000
Advance from customers and their credit balances	-	-
Others	-	-
Indirect Taxes and Duties Payable	-	-
Employee Statutory Deductions	-	-
TDS payable	-	-

Since Other Current Liabilities pertains to discontinued business, the amount outstanding of Rs. 24,325 thousand (March 31, 2017: Rs. 44,017 thousand) has been disclosed separately under liabilities related to discontinued business (Refer Note 34).





## 21. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the profit/(loss) and share data used in the basic and diluted EPS computations:

Particulars	31-Mar-18 Rs. '000	31-Mar-17 Rs. '000
Profit/(Loss) after tax		
Discontinued Operation	(88,828)	(233,433)
<b>Net profit/(Loss) for calculation of basic and diluted EPS</b>	<b>(88,828)</b>	<b>(233,433)</b>
<b>Continuing Operation</b>		
Profit/(loss) after tax	(88,828)	(233,433)
<b>Net profit/(loss) for calculation of basic and diluted EPS</b>	<b>(88,828)</b>	<b>(233,433)</b>
	<b>Nos.</b>	<b>Nos.</b>
Weighted average number of equity shares in calculating basic	99,717,401	90,224,250
Convertible debenture	-	-
<b>Weighted average number of equity shares in calculating diluted EPS</b>	<b>99,717,401</b>	<b>90,224,250</b>

\*Compulsorily Convertible Debentures are not considered for EPS considering anti dilutive impact.

Basic and diluted earning per share of Rs 10 each (in Rs.) (0.89) (2.59)





22. Gratuity (defined benefit plan)

a) Defined Contribution Plan

Gratuity plan

Total

	As at 31 Mar 2018 Rs. '000	As at 31 Mar 2017 Rs. '000
Gratuity plan	981	3,703
<b>Total</b>	<b>981</b>	<b>3,703</b>

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. 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 scheme is funded with an insurance company in the form of a qualifying insurance policy. The level of benefits provided depends on the member's length of service and salary at the time of departure. The following tables summarises the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the plans:

Net employee benefit expense (recognised in personnel expenses) for Gratuity

	As at 31 Mar 2018 Rs. '000	As at 31 Mar 2017 Rs. '000
Current service cost	-	1,068
Interest cost on benefit obligation	-	1,109
<b>Net benefit expense</b>	<b>-</b>	<b>2,177</b>
Balance sheet	-	2,177
Changes in the present value of the defined benefit obligation are as follows:		

	As at 31 Mar 2018 Rs. '000	As at 31 Mar 2017 Rs. '000
Opening defined benefit obligation	3,725	25,095
Current service cost	-	1,068
Interest cost	-	1,109
<b>Expenses Recognised in Profit and loss statement*</b>	<b>(691)</b>	<b>2,177</b>
Benefits paid**	2,052	12,460
Liability transferred to HSSFL / SOPL	-	9,060
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	-	169
Total change in defined benefit obligation due to change in actuarial losses/(gains) recognised in OCI	-	(2,158)
Closing defined benefit obligation	<b>981</b>	<b>(2,029)</b>
*Due to discontinuance of operation by the company, the management has decided to provide for the liability on actual basis instead of providing liability based on actuarial valuation.		
**Amount has been paid directly by the Company and trust.		
Changes in the fair value of plan assets are as follows:		

	As at 31 Mar 2018 Rs. '000	As at 31 Mar 2017 Rs. '000
Opening fair value of plan assets	23	5,969
Expected return	-	595
Transfer from another company	-	1,474
Benefit Paid	-	7,593
Fund Management Charge	-	-
Actuarial gain/(loss) for the year on Asset	-	(423)
<b>Closing fair value of plan assets</b>	<b>23</b>	<b>23</b>





**23. Commitments and contingencies**

**A. Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (March 2017 : Rs Nil)

**B. Contingent liabilities**

Claims against the Company not acknowledged as debts  
Legal claim contingency

	Mar-18 Rs. (000's)	Mar-17 Rs. (000's)
Claims against the Company not acknowledged as debts		
Consumer Disputes*	1,582.59	1,642.50
Demands raised by sales tax authorities**/***	419,330.68	255,040.15
	<b>419,913.38</b>	<b>256,683.15</b>

\* The cases are pending with various Consumer Disputes Redressal Forums. As per the management, the Company is made only a proforma party to these claims and liability, if any, arising out of these claims would be on the manufacturer and not likely to devolve on the Company.

\*\*The Honble 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 liability 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 48,527 thousand, Rs 1,659 thousand, Rs 11,164 thousand and Rs 17,451 thousand has been received from Bihar, Haryana, Karnataka & Uttar Pradesh respectively.

\*\*\*The Company has fair chances of success in all these cases and hence no provision in respect thereof has been made in the books.

**C. Financial guarantees**

The Company has pledged its fixed deposit of Rs. 40,000 thousand (March 31, 2017: Rs 52,500 thousand) and Rs. 806 thousand (March 31, 2017: Nil), in respect of the bank guarantee taken by Hotspot Sales & Solutions Pvt Limited and Cellucore Retail India (P) Limited and Rs. 1,169 thousand (March 31, 2017: 1,125 thousand) with respect to various government authorities.

**24. Related party transactions**

Following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Ultimate Holding Company	Smart Global Corporate Holding Private Limited
Holding Company	Hindustan Retail Private Limited Spice Mobility Limited ( Holding Company of Hindustan Retail Private Limited ) Spice Connect Private Limited
Subsidiaries *	Cellucore Retail India Private Limited

\*For information about the subsidiary, refer below:

Name	Principal Activities	Country of Incorporation	% of shareholding	
			31-Mar-18	31-Mar-17
Cellucore Retail India Pvt Ltd	Trading of Mobile handset	India	100%	100%

Names of other related parties with whom transactions have taken place during the year:

Fellow subsidiaries	Spice Digital Limited Hotspot Sales & Solutions Pvt Limited (upto 12.02.2018) Spice Online Pvt. Ltd. (Formerly known as Spice Online Retail Pvt Ltd.) (upto 12.02.2018) Mobisoc Technology Pvt Ltd. Wall Street Finance Ltd Kimsan Exports Pvt Ltd
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Key Management Personnel	Executive Officers:- Mr. Ravindra Saranwadi Mr. Anandesh Singh Mr. Shivan Narayan Fandev (upto 04.07.2017)
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Independent Directors:-	Mr. Suman Ghose Hazra (upto 25.05.2017) Mr. Umang Das (upto 25.05.2017) Mr. Sunil Kumar Ehanasi
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**25. Segment Information**

Primary segments: Business Segments

The Company was engaged mainly in telecommunications- Mobile business which represented the business of trading of mobile handsets. The Company has discontinued this business during the year and transferred business assets & liabilities existing as at March 31, 2018 relating to this business to assets/liabilities related to discontinued business.

Secondary Segments: Geographical Segment

As the Company's business activity falls within a single geographical segment, there is no additional disclosures required to be provided for geographical segments.

**26. Hedging activities**

Derivatives not designated as hedging instruments

The Company used foreign exchange forward contract to manage some of its transaction exposure. The foreign exchange forward contract are not designated as cash flow hedges and are entered into for period consistent with foreign currency exposure of the underlying transaction, generally from three months to six months.





**27. 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		(Amount in Rs. '000) Fair Value	
	As at 31 Mar 2018	As at 31 Mar 2017	As at 31 Mar 2018	As at 31 Mar 2017
	<b>Financial assets</b>			
Other financial assets:				
Security Deposits	24	368	-	368
<b>Total</b>	<b>24</b>	<b>368</b>	<b>-</b>	<b>368</b>
<b>Financial liabilities</b>				
Security Deposit	14,379	19,789	14,379	19,789
Compulsorily Convertible Debentures	851,255	533,412	851,255	533,412
<b>Total</b>	<b>868,634</b>	<b>553,201</b>	<b>868,635</b>	<b>553,201</b>

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.





28. Fair value hierarchy

(1) Financial Instruments by Category

	31-Mar-18		(Amount in Rs. '000)	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Assets</b>				
-Long Term loans and advances	-	-	-	-
-Other Non-Current Financial Assets	-	-	-	-
-Trade receivables	-	44	-	44
-Cash and cash equivalent	-	725	-	60,273
-Other Bank Balances	-	8,454	-	4,565
-Current loans and advances	-	41,975	-	53,625
-Other Financial assets	-	759	-	864
<b>Total financial assets</b>	-	<b>52,555</b>	-	<b>127,084</b>
Non Current borrowing	-	854,255	-	533,412
Other Long term Liabilities	-	14,379	-	19,789
Current borrowing	-	60,302	-	298,134
Current Trade payables	-	437,819	-	483,692
Other Current Financial Liabilities	-	2,589	-	33,008
<b>Total Financial liabilities</b>	-	<b>1,369,345</b>	-	<b>1,368,035</b>

(2) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities. Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017:

Quantitative disclosures fair value measurement hierarchy for liabilities:

	Date of valuation	Total	Fair value measurement using (Amount in Rs. '000)		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Liabilities measured at fair value:</b>					
Borrowings	31-Mar-18	854,255	-	854,255	-
Borrowings	31-Mar-17	533,412	-	533,412	-
Security Deposits	31-Mar-18	14,379	-	14,379	-
Security Deposits	31-Mar-17	19,789	-	19,789	-

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for assets:

	Date of valuation	Total	Fair value measurement using (Amount in Rs. '000)		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets measured at fair value:</b>					
Assets for which fair values are disclosed (Note 27):					
Other financial assets:					
Security Deposits	31-Mar-18	24	-	24	-
Security Deposits	31-Mar-17	368	-	368	-

There have been no transfers between Level 1 and Level 2 during the period.





## 29. 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 1st April 2015.

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:

	(Amount in Rs. '000)	
	Increase/(decrease) in basis points	Effect on loss before tax
<b>31-Mar-18</b>		
INR	+ 50	(4,572)
INR	- 50	4,572
<b>31-Mar-17</b>		
INR	+ 50	(4,126)
INR	- 50	4,126

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's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities expense are incurred in a foreign currency. The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted purchases.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting payable that is denominated in the foreign currency.





**Foreign currency sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rate, with the other variables held constant.

	(Amount in Rs. '000)	
	Change in USD rate	Effect on loss before tax
	(Increase)/decrease	Effect on pre-tax equity
31-Mar-18	5%	-
31-Mar-17	-5%	-
	5%	-
	-5%	-

**-Equity price risk**

The Company does not have any exposure to equity risk other than equity of subsidiary company.

**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 2018, the Company had net outstanding of Rs. 725 thousand (31 March 2017: Rs. 69,273 thousand) pertaining to discontinued business disclosed separately under Assets related to discontinued business.

An impairment analysis is performed at each reporting date on an individual basis for major clients.

**-Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. Further the Company's policy also covers the limits of overall deposit which the Company can make with a particular bank or financial institution. The Company does not maintain the significant amount of cash and deposits other than those required for its day to day operations.

**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 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.

Year ended	On Demand	Less than 3 Months	3-12 Months	1-5 Years	> 5 years	Total
<b>31-Mar-18</b>						
Borrowings (Non-Current)	-	-	-	854,255	-	854,255
Borrowings (Current)	60,302	-	-	-	-	60,302
Other financial liabilities(non-current)	-	-	-	14,379	-	14,379
Other financial liabilities(current)	-	2,589	-	-	-	2,589
Trade and other payables	-	437,819	-	-	-	437,819
<b>Total</b>	<b>60,302</b>	<b>440,408</b>	<b>-</b>	<b>868,634</b>	<b>-</b>	<b>1,369,345</b>
<b>31-Mar-17</b>						
Borrowings (Current)	35,179	-	-	533,412	-	533,412
Borrowings (Non-current)	-	-	262,955	-	0	262,955
Other financial liabilities(current)	-	33,008	-	19,789	-	19,789
Other financial liabilities(non-current)	-	483,692	-	-	-	483,692
Trade and other payables	-	-	-	-	-	33,008
<b>Total</b>	<b>35,179</b>	<b>516,700</b>	<b>262,955</b>	<b>553,201</b>	<b>-</b>	<b>1,368,035</b>

**-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.

**-Collateral**

The Company has pledged part of its margin money deposits, amounting to Rs. 40,806 (March 31, 2017: 52,500 thousand) in order to fulfil the collateral requirements for the subsidiary of Company. The counterparties have an obligation to return the securities to the Company. There are no other significant terms and conditions associated with the use of collateral.





**30. 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. To maintain or adjust the capital structure, the Company may issue new shares. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

Capital include the following:-

	As at 31 Mar 2018 Rs. '000	As at 31 Mar 2017 Rs. '000
Equity		
Convertible Debenture	997,174	997,174
Other equity	854,255	533,412
<b>Total capital</b>	<b>(2,294,290)</b>	<b>(7,244,645)</b>
	(443,511)	(714,059)

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.

**31. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

Particulars	March 31, 2018	March 31, 2017
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
-Principal amount due to micro and small enterprises		
-Interest due on above		
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	NIL	NIL
The amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	NIL	NIL
	NIL	NIL

**32. Loans and advances in the nature of loans given to fellow subsidiary:-**

Name of the Company	Balance as on March 31, 2018 (Rs. '000)	Balance as on March 31, 2017 (Rs. '000)	Maximum amount outstanding during the year ended March 31, 2018 (Rs. '000)	Maximum amount outstanding during the year ended March 31, 2017 (Rs. '000)
Kimian Exports Private Limited	-	-	-	734

**33. Disclosure required under Section 186(4) of the Companies Act 2013**

Included in loans and advances, the particulars of which are disclosed below as required by Section 186(4) of Companies Act, 2013

Particulars	As on March 31, 2018	As on March 31, 2017
	Rs. '000	Rs. '000
50,000,000 (Previous year 50,000,000) Unquoted fully paid up equity shares of Rs. 10 each in Cellucom Retail India Private Limited	482,439	482,439





**Notes to accounts**

34. Pursuant to decision of its board of directors taken in the previous year, the Company has discontinued "Spice" Brand mobile handset business. Being a discontinued operation, this business is no longer presented in the segment note. Accordingly, assets and liabilities of the business have been classified separately as assets / liabilities related to discontinued business.

**(a) The details of assets and liabilities as at March 31, 2018 classified separately as assets / liabilities related to discontinued business are given below:**

Particulars	31-Mar-18 Rs.(000's)	31-Mar-17 Rs.(000's)
<b>Assets</b>		
<b>Non-current assets</b>		
Property ,Plant and Equipment	-	-
Capital work-in-progress	-	-
Other Intangible Assets	-	-
Intangible asset under development	-	-
<b>Financial Assets</b>		
(i) Non Current Investments	-	-
(ii) Loans and advances	-	-
(iii) Other Financial Assets	44	44
Other non-current Assets	15	15
	<u>59</u>	<u>59</u>
<b>Current assets</b>		
Inventories	-	1,728
<b>Financial Assets</b>		
(i) Trade Receivables	725	60,273
(ii)Cash and Cash equivalents	8,454	4,965
(iii) Other Bank Balances	41,975	53,625
(iv) Loans and advances	759	864
(v) others Financial Assets	598	7,313
Current Tax assets	5,203	19,687
Other current assets	39,843	47,910
	<u>97,556</u>	<u>196,366</u>
<b>Assets directly associated with assets pertaining to discontinued business</b>	<u>97,616</u>	<u>196,425</u>
<b>Non-current liabilities</b>		
(i) Borrowings	854,255	533,412
(ii) Other financial Liabilities	14,379	19,789
Long Term Provisions	788	3,259
	<u>869,422</u>	<u>556,459</u>
<b>Current liabilities</b>		
<b>Financial Liabilities</b>		
(i) Short Term Borrowings	60,302	298,134
(ii) Trade payables	437,819	483,690
(ii) Other Financial Liabilities	2,589	33,008
Other Current Liabilities	24,325	44,017
Short Term Provisions	925	28,586
	<u>525,960</u>	<u>887,435</u>
<b>Liability directly associated with assets pertaining to discontinued business</b>	<u>1,395,381</u>	<u>1,443,894</u>
<b>Net assets/ (liabilities) directly associated with discontinued business*</b>	<u>-1,297,766</u>	<u>-1,247,469</u>
<b>*Net assets/ (Liabilities) includes the following related party receivable and payables</b>		
Trade receivable	44	39,785
Trade payable	401,968	399,786
Advance from customers and their credit balances	2,841	669





(b) The following statement shows the revenue and expenses of discontinued operations, of the Company which has been discontinued.

Particulars	For the Year ended March.	For the year ended March
	31, 2018 (Rs. '000)	31, 2017 (Rs. '000)
<b>Income</b>		
Revenue from operations	9,182	3,015,205
<b>Revenue from operations</b>	<b>9,182</b>	<b>3,015,205</b>
Other income	37,763	36,384
<b>Total revenue (I)</b>	<b>46,945</b>	<b>3,051,589</b>
<b>Expenses</b>		
Purchase of traded goods	534	2,393,559
Decrease in inventories of traded goods	1,728	329,633
Employee benefit expense	21,952	162,027
Finance costs	71,434	70,496
Depreciation and amortization expense	-	29,216
Other expenses	40,124	330,316
<b>Total Expenses (II)</b>	<b>135,773</b>	<b>3,315,247</b>
<b>Profit (loss) before exceptional items and tax from continuing operations (I) – (II)</b>	<b>(88,828)</b>	<b>(263,658)</b>
Exceptional items	-	(30,225)
<b>(Loss) before tax</b>	<b>(88,828)</b>	<b>(233,433)</b>
Tax expenses		
(1) Current tax	-	-
(2) Deferred tax	-	-
(3) MAT credit entitlement/utilised	-	-
(4) Tax adjustment related to an earlier year	-	-
<b>(Loss) for the year</b>	<b>(88,828)</b>	<b>(233,433)</b>
Other Comprehensive Income		
Items that will not be reclassified to profit or loss	-	1,605
Items that will be reclassified to profit or loss		
Income Tax relating to items that will be reclassified to profit or loss		
<b>Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>	<b>(88,828)</b>	<b>(231,828)</b>

(c) The following statement shows the net cash flow of discontinued operations, of the Company which has been discontinued.

Particulars	Mar'31, 2018	Mar'31, 2017
	Amount Rs. '000	Amount Rs. '000
Operating	(33,835)	(680,440)
Investing	15,293	214,443
Financing	22,034	443,362
Net cash (outflow)/inflow	3,491	(22,635)
Earning Per Share:		
Earnings per equity share from discontinued business	(0.89)	(2.59)





### 35. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

#### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company has carried forward tax losses. These losses expire in 8 years and may not be used to offset taxable income elsewhere in the Company. The Company neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

#### Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries

Further details about gratuity obligations are given in Note 6.

### 36. Going Concern

As at 31 March 2018 the consolidated entity had a net asset deficiency of Rs. 12,97,766 thousand. However, the financial statements have been prepared on a going concern basis as the ultimate parent company has pledged its continuing support for a minimum of 12 months from the date of issuing these financial statements.

#### Summary of significant accounting policies

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

As per our report of even date



Membership no.: 517943

PCI no. - 066881

Place: Noida

Date:

11.08.2018

For and on behalf of the board of directors of New Spice Sales and Solutions Limited  
(Formerly known as Spice Retail Limited)

Amardeep Singh

Director

DIN: 05356101

Ravindra Kumar

Sarawaol

Director

DIN: 07496783



Notes to financial statements for the year ended March 31, 2018

Related party transactions for the year ended March 31, 2018

Particulars	Holding Company/Ultimate Holding Company		Subsidiary		Fellow Subsidiary		key management personnel		Relatives of key management personnel		(Amount in Rs. (000's))	
	2017-18		2016-17		2017-18		2016-17		2017-18		2016-17	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
<b>(A) Transactions</b>												
<b>Sale of Traded Goods</b>												
Cellucum Retail India (P) Limited			49,788									49,788
Spice Online Pvt. Ltd.					(1,347)		74,576					74,576
Spice Digital Limited												
S-Mobility (HK) Limited												
Smart Entertainment Private Limited												
Spice Connect Private Limited												
Mobisoc Technology Pvt. Ltd							8					8
<b>Sales of Value Added Services</b>												
Spice Digital Limited					1,800		10,609					1,800
<b>Allocation of Shares</b>												
Hindustan Retail Private Limited				150,000								
<b>Allocation of Debentures</b>												
Hindustan Retail Private Limited	290,000	623,500										290,000
<b>Loan Taken</b>												
Spice Mobility Limited				17,804								
Spice Digital Limited							13,104					17,804
Hindustan Retail Private Limited												13,104
Kirmaan Exports Pvt Ltd	120,000	22,076					734					22,076
Mobisoc Technology Private Limited												734
<b>Repayment of Loans</b>												
Spice Mobility Limited		150,848										150,848
Spice Digital Limited							79,077					79,077
Hindustan Retail Private Limited												357,000
Hindustan Retail Private Limited		120,000					40,000					120,000
Mobisoc Technology Private Limited												40,000
<b>Interest expense</b>												
Spice Digital Limited							2,895					2,895
Hindustan Retail Private Limited				8,810								8,810
Spice Mobility Limited				7,821								7,821
Mobisoc Technology Private Limited							702					702
<b>Interest Income</b>												
Cellucum Retail India (P) Limited												
<b>AMC/SAP maintenance reimbursement recovered</b>												
Spice Digital Limited												
<b>AMC/SAP maintenance reimbursement paid</b>												
Spice Digital Limited							715					715
<b>Purchase of currency</b>												













