

SUNIL KUMAR
CHARTERED ACCOUNTANT

OLD SUBJI MANDI, OPP BADI HANUMAN MURTI , TOHANA-125120 MOB. 9990966467

INDEPENDENT AUDITOR'S REPORT

To the Members of HINDUSTAN RETAIL PVT. LTD.

Report on the Audit of Standalone IND AS Financial Statements

Opinion

We have audited the accompanying financial statements of **HINDUSTAN RETAIL PVT. LTD.** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss (including Other Comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditor's Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibility of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, financial performance, changes in equity and cash flows 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. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may



involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:



- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2019 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 statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations, which would impact the financial statements.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- h) Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

Place: Noida
Date: 20.08.2019



Sunil Kumar
Chartered Accountant
Membership No. 517943

FCP No. 066881

UDIN: 19517943AAAABG2141

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
HINDUSTAN RETAIL PVT. LTD.**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) a) The Company does not have any fixed assets, as such there are no comment on clause
- b) As per books of accounts verified by us and according to the information and explanations given by the management the company does not have immovable properties and as such the sub clause is not applicable
- (ii) The Company does not have any inventory and hence reporting under Clause 3 (ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted any secured or unsecured loan to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of Clauses 3(iii) (a), (b) & (c) of the Order are not applicable.
- (iv) In respect of loans, investments, guarantees, and security the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits during the year from public within the provision of section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under (to the extent applicable). We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under Clause 3(vi) of the Order is not applicable to the Company.
- (vii) According to the records of the company and information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Custom Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities, to the extent applicable. There were no undisputed statutory dues payable as at March 31, 2019 which were outstanding for a period of more than six months from the date they become payable.
- (b) There are no dues in respect of Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Excise Duty and Value Added Tax which have not been deposited with the appropriate authorities, to the extent applicable, on account of any dispute.



- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under Clause 3(viii) of the Order is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). According to the records of the Company, no term loans were taken during the year. Therefore, the provision of clause 3(ix) of the Order is not applicable.
- (x) Based on the audit procedure performed and according to the information and explanations given to us by the management, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The Company is not a Nidhi company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or 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.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into non-cash transactions with its Directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Noida

Date: 20.08.2019



Sunil Kumar
Chartered Accountant
Membership No. 517943

FCP No. 066881

UDIN: 19517943AAAABG2141

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT
HINDUSTAN RETAIL PVT. LTD.**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **HINDUSTAN RETAIL PVT. LTD.** ("the Company") as of March 31, 2019 in conjunction with our audit of the 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's 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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, we report that 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, 2019, 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.



Place: Noida
Date: 20.08.2019

Sunil Kumar
Chartered Accountant
Membership No. 517943

FCP No. 066881

UDIN: 19517943AAAABG2141

Hindustan Retail Private Limited
 Regd. Address: 19A & 19B, S Global Knowledge Park, Sector 125, Noida – 201301
 CIN: U52100UP2007PTC033258
 Balance Sheet as at March 31, 2019

Particulars	Notes	Figures as at 31-03-2019 Rs.	Figures as at 31-03-2018 Rs.
ASSETS			
Non-current assets			
Non-current investments	2	-	-
Current assets			
Financial Assets			
Cash and cash equivalents		-	43,947,941
Loans	3	17,790	17,775
Other Financial assets	4	-	-
Current Tax Assets	5	-	-
	6	<u>2,767,187</u>	<u>2,801,503</u>
		<u>2,784,977</u>	<u>46,767,219</u>
TOTAL			
		<u><u>2,784,973</u></u>	<u><u>46,767,219</u></u>
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital		4,223,800,000	4,223,800,000
Reserves and surplus	7 SOCE	<u>(4,281,506,086)</u>	<u>(4,239,580,650)</u>
		<u>(57,706,086)</u>	<u>(15,780,650)</u>
Current liabilities			
Financial Liabilities			
Short-term borrowings		-	-
Other Financial liabilities	8	56,775,664	59,275,664
Other current liabilities	9	3,706,395	3,139,624
Short term provisions	10	9,000	4,150
	11	-	128,431
		<u>60,491,059</u>	<u>62,547,869</u>
TOTAL			
		<u><u>2,784,973</u></u>	<u><u>46,767,219</u></u>

Summary of significant accounting policies

1.1


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


As per our attached report of even date.


For and on behalf of the Board of Directors of Hindustan Retail Private Limited

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



Deepak Mehta
Director
DIN: 08179331


Ravindra Kumar Sarawagi
Director
DIN: 07496783


Mukesh Anand
Chief Executive Officer


Surendra Kumar Verma
Chief Financial Officer

Place: Noida
Date: 20.08.2019



Barkha Sipani
Company Secretary

Hindustan Retail Private Limited
 Regd. Address: 19A & 19B, S Global Knowledge Park, Sector 125, Noida – 201301
 CIN: U52100UP2007PTC033258
 Statement of Profit & Loss for the year ended March 31, 2019

Particulars	Notes	Figures for the year ended	
		31-03-2019	31-03-2018
		Rs.	Rs.
Income			
Other Income	12	137,778	-
		<u>137,778</u>	<u>-</u>
Expenses			
Employee benefits expenses	13		689,238
Finance costs	14	289,531	
Other expenses	15	280,210	435,583
Total		<u>569,741</u>	<u>1,124,821</u>
Profit/(Loss) before exceptional and extraordinary items and tax			
Exceptional items	16	(431,963)	(1,124,821)
Profit/(Loss) before extraordinary items and tax		41,493,473	314,256,680
Extraordinary items		(41,925,436)	(315,381,481)
Profit / (Loss) before tax		-	-
Tax adjustment		(41,925,436)	(315,381,481)
Loss for the period/year		(41,925,436)	(315,381,481)
Other Comprehensive Income			
Total Comprehensive Income for the Period (Comprising (Loss) and Other Comprehensive Income for the Period)		<u>(41,925,436)</u>	<u>(315,381,481)</u>
Earnings per equity share [nominal value of share Rs. 10 (31 March 2018: Rs. 10)]	17		
1) Basic		(0.10)	(0.76)
2) Diluted		(0.10)	(0.76)
Summary of significant accounting policies	1.1		


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


As per our report of even date



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

For and on behalf of the Board of Directors of Hindustan Retail Private Limited

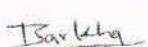

 Deepak Mehta
 Director
 DIN: 08179331


 Ravindra Kumar Sarawagi
 Director
 DIN: 07496783


 Mukesh Anand
 Chief Executive Officer


 Surendra Kumar Verma
 Chief Financial Officer

Place: Noida
 Date: 20.08.2019


 Barkha Sipani
 Company Secretary

Hindustan Retail Private Limited
 Regd. Address: 19A & 19B, S Global Knowledge Park, Sector 125, Noida – 201301
 CIN: U52100UP2007PTC033258
 Cash Flow Statement for the year ended March 31, 2019

Particulars	31-Mar-19 Rs.	31-Mar-18 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(41,925,436)	(315,381,481)
Non-cash adjustment to reconcile profit before tax to net cash flows :		
Provision for diminution in value of investment	-	290,000,000
Provision for doubtful advances	-	-
Interest paid	-	-
Interest income	-	-
Operating Loss before changes in assets and liabilities	(41,925,436)	(25,381,481)
Changes in assets and liabilities :		
Increase/ (decrease) in other Financial liabilities	567,021	2,780,421
Increase/ (decrease) in other Current liabilities	4,604	(2,837,094)
Decrease / (increase) in short-term loans and advances	-	(39,129,021)
Decrease / (increase) in short-term Provisions	(128,431)	(64,636)
Decrease / (increase) in other current assets	43,947,941	-
Decrease / (increase) in current tax assets	34,316	-
Cash generated from / (used in) operations	2,500,015	(64,631,811)
Direct taxes paid (net of refunds)	-	(34,496)
Net cash flow from/ (used in) operating activities	A	(64,666,307)
	2,500,015	(64,666,307)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of non-current investments	-	(290,000,000)
Interest received	-	39,129,271
Net cash flow from/ (used in) investing activities	B	(250,870,729)
	-	(250,870,729)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of equity share capital	-	394,000,000
Proceeds from Share Application Money	-	(99,000,000)
Proceeds from short-term borrowings	-	32,750,492
Repayment of Short Term Borrowing	(2,500,000)	(6,100,000)
Interest paid	-	(32,750,495)
Net cash flow from/ (used in) in financing activities	C	288,899,997
	(2,500,000)	288,899,997
Net increase/(decrease) in cash and cash equivalents	(A+B+C)	15
Cash and cash equivalents at the beginning of the period/year	17,775	(26,637,039)
Cash and cash equivalents at the end of the period/year	17,790	2,398,154
Components of cash and cash equivalents		
Cash on hand	-	5,385
With banks- on current account	17,790	12,390
Total cash and cash equivalents (Note 3)	17,790	17,775
Notes :	17,790	17,775

1. The Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 on Cash Flow Statements notified by Companies (Indian Accounting Standards) Rules, 2015
2. Negative figures have been shown in brackets.
- Summary of significant accounting policies
- The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors of Hindustan Retail Private Limited

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

Deepak Mehta
Director
DIN: 08179331

Ravindra Kumar Sarawagi
Director
DIN: 07496783

Mukesh Anand
Chief Executive Officer

Surendra Kumar Verma
Chief Financial Officer

Barkha Sipani
Company Secretary

Place: Noida
Date: 20-08-2019

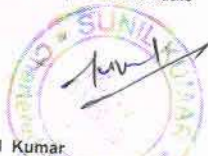
Hindustan Retail Private Limited
 Regd. Address: 19A & 19B, S Global Knowledge Park, Sector 125, Noida – 201301
 CIN: U52100UP2007PTC033258
 Statement of changes in Equity (SOCE) for the year ended March 31, 2019

Particulars	Figures as at 31-03-2019 Rs.	Figures as at 31-03-2018 Rs.
A. Equity Share Capital		
Equity Shares of INR Rs. 10 each issued, subscribed and fully paid up		
Number of shares	422,380,000	422,380,000
Equity Share Capital	4,223,800,000	4,223,800,000
Total	4,223,800,000	4,223,800,000
B. Other Equity		
Retained Earnings		
Balance as per last financial statements		(3,924,199,169)
Loss for the year/period	(4,239,580,650)	(41,925,436)
Net deficit in the statement of profit and loss	(4,281,506,086)	(4,239,580,650)
Total	(4,281,506,086)	(4,239,580,650)

Summary of significant accounting policies
 The accompanying notes are an integral part of the financial statements.

11


As per our report of even date





Sunil Kumar
 Chartered Accountant
 FCP No. 066981
 Membership No. 517943


For and on behalf of the Board of Directors of Hindustan Retail Private Limited


 Deepak Mehta
 Director
 DIN: 08179331


 Ravindra Kumar Sarawagi
 Director
 DIN: 07496783


 Mukesh Anand
 Chief Executive Officer


 Surendra Kumar Verma
 Chief Financial Officer


 Barkha Sipani
 Company Secretary

Place: Noida
 Date: 20-03-2019

Statement of Compliance:

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

Corporate information

The main activity of the company is to overall look after affairs of the subsidiary and arrange for them necessary funds and man-power.

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 as amended by 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:

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

1.1 Summary of significant accounting policies

A. Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

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

B. Fair value measurement

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

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

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

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

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

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

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

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

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.



Notes to financial statements as at March 31, 2019

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

C. Use of estimates

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

D. Recognition of Income

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

E. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India, where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are 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.

F. 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.

G. 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.



H. Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Equity investments

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

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

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

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

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables and all other financial with no significant financing component is measured at an amount equal to 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured for specific assets. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.



Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

I. 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.

J. Contingent Liabilities

The contingent liabilities, if any, are disclosed in the financial statements. Provision is made in the accounts if it becomes probable that there will be outflow of resources for settling the obligation.

K. Events occurring after reporting period

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

L. Earnings Per Share

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

M. Cash flow statement

Cash flows are reported using indirect method, whereby profits for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

N. Other income

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

O. Employee benefits

a. Short term employee benefits

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

b. Post Employee Benefits

Defined contribution plan

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

Defined Benefit Plan

The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on management valuation.



Particulars	Figures as at 31-03-2019 Rs.	Figures as at 31-03-2018 Rs.
2. Non-Current Investments		
In Subsidiaries		
Unquoted - Fully Paid Up Equity Shares of Face value Rs. 10/- each 9,97,17,401 (9,97,17,401) New Spice Sales and Solutions Limited *	2,981,709,657	2,981,709,657
In 0% Compulsory Convertible Debentures of Rs. 10/- each 9,13,50,000 (9,13,50,000) (Nil) New Spice Sales and Solutions Limited* (Formerly known as Spice Retail Limited)	913,500,000	913,500,000
	<u>3,895,209,657</u>	<u>3,895,209,657</u>
Less :- Provision for diminution in value of investment	3,895,209,657	3,895,209,657
	<u>-</u>	<u>-</u>
Aggregate value of Unquoted Shares		
3. Cash and cash equivalents		
Balances with banks:		
On current accounts	17,790	12,390
Cash on hand		5,385
	<u>17,790</u>	<u>17,775</u>
4. Loans		
Unsecured considered good; Loans and advances to related parties (subsidiaries)		
i) New Spice Sales and Solutions Limited(Formerly known as Spice Retail Limited)	41,447,941	43,947,941
	<u>41,447,941</u>	<u>43,947,941</u>
Other Loan		
i) Hotspot Sales & Solutions Pvt Ltd	16,481,624	16,481,624
ii) Spice Online Pvt. Ltd. (Formerly known as Spice Online Retail Pvt. Ltd.)	7,775,036	7,775,036
	<u>24,256,660</u>	<u>24,256,660</u>
Less:- Provision against doubtful advances	65,704,601	68,204,601
	<u>65,704,601</u>	<u>24,256,660</u>
	<u>-</u>	<u>43,947,941</u>
5. Other Financial Assets		
Interest receivable	-	-
Less:- Provision against doubtful advances	-	-
	<u>-</u>	<u>-</u>
6. Current Tax Assets		
TDS Recoverable	2,767,007	2,767,007
GST Recoverable	180	34,496
	<u>2,767,187</u>	<u>2,801,503</u>
7. Equity Share Capital		
Authorized shares 425,000,000 (Previous period 425,000,000) Equity Shares of Rs. 10 each	4,250,000,000	4,250,000,000
Issued, subscribed and fully paid-up shares 422,380,000 (Previous period 422,380,000) Equity Shares of Rs. 10 each	4,223,800,000	4,223,800,000
Total issued, subscribed and fully paid-up share capital	<u>4,223,800,000</u>	<u>4,223,800,000</u>
(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year/period		
Equity shares		



Particulars	Figures as at 31-03-2019		Figures as at 31-03-2018	
	No. of shares	Amount Rs.	No. of shares	Amount Rs.
At the beginning of the year/period	422,380,000	4,223,800,000	382,980,000	3,829,800,000
Issued during the year/period			39,400,000	394,000,000
Outstanding at the end of the year/period	<u>422,380,000</u>	<u>4,223,800,000</u>	<u>422,380,000</u>	<u>4,223,800,000</u>

(b) Terms/rights attached to equity shares

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

(c) Shares held by holding company

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

Holding company	No. of shares	Amount Rs.
DIGISPICE Technologies Limited (Formerly known as Spice Mobility Ltd.), the holding company	422,380,000 (Previous period 422,380,000) Equity Shares of Rs. 10 each	4,223,800,000
		<u>4,223,800,000</u>

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

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

NIL

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

Name of the shareholder	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of Rs.10 each fully paid				
DIGISPICE Technologies Limited (Formerly known as Spice Mobility Ltd.), the holding company	422,380,000	100%	422,380,000	100%

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

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

8. Short-term borrowings

i) Spice Digital Limited	31,955,333	31,955,333
ii) Spice Labs Pvt Ltd	24,820,331	27,320,331
	<u>56,775,664</u>	<u>59,275,664</u>

9. Other Financial liabilities

Audit fees payable		
Salary Payable	108,500	88,500
Other expenses payable	34,854	-
Interest accrued and due on borrowings	3,563,291	3,051,124
	<u>3,706,645</u>	<u>3,139,624</u>

10. Other current liabilities

TDS payable	9,000	4,150
	<u>9,000</u>	<u>4,150</u>

11. Short term provisions

Provision for leave benefits		33,627
Provision for gratuity		94,804
		<u>128,431</u>

Due from directors or officers of the company

NIL

Contingent liabilities & commitments

(1) Contingent Liabilities

a) Claims against the company not acknowledged as debts		
b) Guarantees	NIL	NIL
c) other money for which company is contingently liable	NIL	NIL

(2) Commitments

a) Estimated amounts of contracts to be executed on capital account not provided for		
b) Uncalled liability on partly paid shares	NIL	NIL
c) Other commitments	NIL	NIL



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 CIN: U52100UP2007PTC033258

Notes to financial statements as at March 31, 2019

Particulars	Figures for the year ended 31-03-2019	Figures for the year ended 31-03-2018
	Rs.	Rs.
12. Other Income		
Profit on sale of investments*	-	-
Provisions Written Back	137,778	-
Interest Income	-	-
Interest Income on Income Tax Refund	-	-
	<u>137,778</u>	<u>-</u>
13. Employee benefits expense		
Salaries, wages and bonus	289,531	689,238
	<u>289,531</u>	<u>689,238</u>
14. Finance cost		
Interest on loan	-	-
	<u>-</u>	<u>-</u>
15. Other expenses		
Rates and taxes	4,850	14,668
Payment to auditor (Refer details below)	20,000	91,450
Travelling and conveyance	-	23,101
Legal and professional fees	150,360	156,262
Telephone Expenses	-	-
Increase in authorised share capital	-	-
Directors' sitting fees	105,000	150,000
Courier charges	-	102
Bank charges	-	-
Other Expenses	-	-
	<u>280,210</u>	<u>435,583</u>
Payment to auditors :		
Audit fee	20,000	73,900
Limited review	-	17,550
In other capacity:	-	-
Other services	-	-
	<u>20,000</u>	<u>91,450</u>
16. Exceptional Item		
Provision for diminution in value of Investment	-	290,000,000
Provision against doubtful advances	41,493,473	24,256,660
	<u>41,493,473</u>	<u>314,256,660</u>
17. Earnings per share (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Loss for the period/year	(41,925,436)	(315,381,481)
Weighted average number of equity shares in calculating basic EPS	422,380,000	416,330,959
Basic earning per share	<u>(0.10)</u>	<u>(0.76)</u>
Weighted average number of equity shares in calculating diluted EPS	422,380,000	416,330,959
Diluted earning per share	<u>(0.10)</u>	<u>(0.76)</u>



Additional Notes:

18. Fair value hierarchy

(1) Financial Instruments by Category

Financial Assets	31-Mar-19	31-Mar-19	31-Mar-18	31-Mar-18
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Cash and cash equivalent	-	17,790	-	17,775
Loans & advances	-	-	-	43,947,941
Other Financial Assets	-	-	-	-
Total financial assets	-	17,790	-	43,965,716
Short-term borrowings	-	56,775,664	-	59,275,664
Other Financial Liabilities	-	3,706,395	-	2,139,624
Total Financial liabilities	-	60,482,059	-	62,415,288

19. 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 2019 and 31 March 2018.

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

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

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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2019 and 31 March 2018.



20. Capital management:

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

	As at 31 Mar 2019	As at 31 Mar 2018
Borrowings		
Trade payables/Other payables	56,775,664	59,275,664
Less: cash and cash equivalents	(3,715,395)	(3,143,774)
Net debt	60,473,269	62,401,663
Equity		
Reserve	4,223,800,000	4,223,800,000
Total capital	(4,281,506,086)	(4,239,580,650)
Capital and net debt	(57,706,086)	(15,780,650)
Gearing ratio	2,767,183	46,621,013
	2185%	134%

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 2019 and 31 March 2018.

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

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

Name of the Party	Rate of Interest	Secured/ unsecured	Opening Balance	Loan given/(repay) during the period	Outstanding at end of the year
New Spice Sales and Solutions Limited (Formerly known as Spice Retail Limited)	11% & 10.5%	Unsecured	43,947,941	(2,500,000)	41,447,941
Hotspot Sales & Solutions Private Limited	8.00%	Unsecured	16,481,624	-	16,481,624
Spice Online Private Limited (Formerly known as Spice Online Retail Private Limited)	8.00%	Unsecured	7,775,036	-	7,775,036

The loan given to above companies are for meeting working capital requirements.

Details of Investments made (At cost):

Name of the Party	Nature of Investment	Opening Balance	Investments made during the period (Rs.)	No. of Shares/CCDs	Outstanding at end of the year
New Spice Sales and Solutions Limited (Formerly known as Spice Retail Limited)	Equity Shares	2,981,709,657.00	-	99,717,401	2,981,709,657.00
New Spice Sales and Solutions Limited (Formerly known as Spice Retail Limited)	Compulsory Convertible Debentures(CCD)	913,500,000.00	-	91,350,000	913,500,000.00



-Interest rate risk

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

Interest rate sensitivity

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

	Increase/(decrease) in basis points	Effect on profit before tax
31-Mar-19		
INR	50	(283,878)
INR	-50	283,878
31-Mar-18		
INR	50	(76,639)
INR	-50	76,639

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

-Foreign currency risk

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

3) Liquidity risk

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

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

	On Demand	Less than 3 Months	3-12 Months	1-5 Years	> 5 years	Total
Year ended						
31-Mar-19						
Borrowings (Current)	56,775,664					56,775,664
Other financial liabilities(current)	-	3,706,645				3,706,645
Trade and other payables	-	-				-
Total	56,775,664	3,706,645				60,482,309
Year ended						
31-Mar-18						
Borrowings (Current)	59,275,664					59,275,664
Other financial liabilities(current)	-	3,139,624				3,139,624
Trade and other payables	-	-				-
Total	59,275,664	3,139,624				62,415,288

-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.



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	Current period	Previous year
22. Value of Import on CIF Basis	Nil	Nil
23. Earnings in Foreign Exchange	Nil	Nil
24. Outflow of Foreign Currency (AED)	Nil	Nil
25. Related Party Disclosures		

Name of the Related Parties

i) Ultimate Holding Company

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

ii) Holding Company

DIGISPACE Technologies Ltd. (formerly known as Spice Mobility Limited) (DTL)
 Spice Connect Private Limited (formerly known as Smart Ventures Pvt. Ltd.) (Holding company of SML)

iii) Subsidiary Company

New Spice Sales and Solutions Limited (Formerly known as Spice Retail Limited)
 Cellucom Retail India Pvt Ltd.

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

Spice Digital Ltd.
 Spice Labs Pvt. Ltd.
 Hotspot Sales & Solutions Pvt. Ltd. (Till 12.02.2018)
 Spice Online Pvt. Ltd. (Formerly known as Spice Online Retail Pvt. Ltd.) (Till 12.02.2018)

v) List of Key Managerial Personnel

Madhusudan Venkatachary – Non executive Director
 Meghraj Bothra – Non executive Director
 Seema Salwan – Independent Director
 Sunil Kumar Bhansali – Independent Director (till 31.10.2017)
 Mukesh Anand – Chief Executive Officer (w.e.f. 12.02.2018)
 Surendra Kumar Verma – Chief Financial Officer (w.e.f. 12.02.2018)
 Shubhankar Saha – Company Secretary (w.e.f. 10.12.2018 till 13.03.2019)
 Neeraj Banka – Chief Executive Officer (till 31.08.2017)
 Rohit Kumar Rav – Chief Financial Officer (till 31.05.2017)
 Prakash Chander – Company Secretary (till 24.04.2017)
 Amit Kumar Singh – Company Secretary (w.e.f. 12.02.2018 till 23.03.2018)

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

Related party transactions attached as Annexure-1

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

Particulars	31-Mar-19	31-Mar-18
Principal amount due to micro and small enterprises	NIL	NIL
Interest due on above	NIL	NIL
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

As per our attached report of even date.

For and on behalf of the Board of Directors of Hindustan Retail Private Limited



Place: Noida
 Date: 20/08/2019

Deepak Mehta
 Deepak Mehta
 Director
 DIN: 08179331

Ravindra Kumar Sarawagi
 Ravindra Kumar Sarawagi
 Director
 DIN: 07496783

Mukesh Anand
 Mukesh Anand
 Chief Executive Officer

Surendra Kumar Verma
 Surendra Kumar Verma
 Chief Financial Officer

Barkha Sipani
 Barkha Sipani
 Company Secretary

Annexure-1

Particulars	Key Managerial person		Holding Company		Subsidiaries		Fellow Subsidiaries		Total	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
(A) Transactions										
Director Sitting fees paid										
Seema Salwan	90,000	75,000							90,000	75,000
Sunil Kumar Bhansali	15,000	75,000							15,000	75,000
Remuneration to KMPs										
Mukesh Anand	1,090,800	-							1,090,800	-
Surendra Kumar Verma	680,914	-							680,914	-
Shubhankar Saha	139,068	-							139,068	-
Neeraj Banke	-	462,615							-	462,615
Rohit Kumar Rawi	-	126,755							-	126,755
Prakash Chander	-	36,904							-	36,904
Amit Kumar Singh	-	65,430							-	65,430
Share Capital										
DIGISPACE Technologies Limited				394,000,000						394,000,000
Investment										
New Spice Sales and Solutions Limited (Formerly known as Spice Retail Limited)						290,000,000				290,000,000
Loans & Advances Given										
New Spice Sales and Solutions Limited (Formerly known as Spice Retail Limited)						21,872,361				21,872,361
Spice Online Pvt Ltd. (Formerly known as Spice Online Retail Pvt. Ltd.)										
Hotspot Sales & Solution Private Limited							775,036			775,036
Loans Received back during the period adjusted										
New Spice Sales and Solutions Limited (Formerly known as Spice Retail Limited)							16,481,624			16,481,624
Callicom Retail India Pvt Ltd				2,500,000						2,500,000
Short Term Borrowing										
Spice Digital Limited							29,739,925			29,739,925
Spice Labs Pvt Ltd							3,010,567			3,010,567
Repayment of Short Term Borrowings										
Spice Digital Limited										
Spice Labs Pvt Ltd							6,100,000			6,100,000
Interest Income										
New Spice Sales and Solutions Limited (Formerly known as Spice Retail Limited)						8,810,273				8,810,273
Cellucom Retail India Pvt Ltd						24,110				24,110
Reimbursement of Expenses										
New Spice Sales and Solutions Limited						17,250				17,250
DIGISPACE Technologies Limited									421,431,000	421,431,000
(B) Outstanding at the end of the year/period										



