

INDEPENDENT AUDITOR'S REPORT

To the Members of RP-SG Retail Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of RP-SG Retail Limited (hereinafter referred to as "the Holding Company"), and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the 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 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial



statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (1) and (2) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated 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 consolidated state of affairs of the Group, as at March 31, 2018, their consolidated loss including other comprehensive income, and their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 41 to the consolidated Ind AS financial statements of the Group, in respect of Composite Scheme of Arrangement, which was approved vide Order issued by National Company Law Tribunal ('NCLT') dated March 28, 2018 received by the Company on 5th October 2018 (the Scheme). As per the NCLT Order, the scheme, comprising demerger of identified Retail undertaking(s) of Spencer's Retail Limited and CESC Limited into RP-SG Retail Limited, have been implemented from the appointed date 1 October, 2017 and given effect to in these consolidated Ind AS financial statements. Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit the financial statements and other financial information, in respect of one subsidiary, whose Ind AS financial statements include total assets of Rs 752.82 lacs and net assets of Rs 531.73 lacs as at March 31, 2018, and total revenues of Rs 142.62 lacs and net cash inflows of Rs (206.45) lacs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.



Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary company incorporated in India, none of the directors of the Group's companies, incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary company incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary incorporated in India, the managerial remuneration for the year ended March 31, 2018 has been paid / provided by the Holding Company, its subsidiary incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary, as noted in the 'Other matter' paragraph:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 33 to the consolidated Ind AS financial statements;



- ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018.
- iii. There were no amounts which were has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For Batliboi, Purohit and Darbari

Chartered Accountants

ICAI Firm Registration Number: 303086E


Hemal Mehta

Partner

Membership Number: 063404



Place : Kolkata

Date: 25 October 2018

Annexure 1 to the Independent auditor's report of even date on the consolidated financial statements of RP-SG Retail Limited

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

In conjunction with our audit of the consolidated Ind AS financial statements of RP-SG Retail Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of RP-SG Retail Limited (hereinafter referred to as the "Holding Company").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, 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 with reference to these consolidated Ind AS financial statements 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 over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and



appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements 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 with reference to these consolidated Ind AS financial statements 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 With Reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, 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 with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements 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 Holding Company, its subsidiary company, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31,2018, based on the internal control over financial reporting criteria established by the Holding 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.


Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, in sofar as it relates to the one subsidiary company ,



which is a company incorporated in India, is based on the corresponding report of the auditors of such subsidiary incorporated in India.

For Batliboi, Purohit and Darbari
Chartered Accountants
ICAI Firm Registration Number: 303086E


Hema Mehta
Partner
Membership Number: 063404



Place : Kolkata
Date: 25 October 2018

RP-SG Retail Limited
Consolidated Balance Sheet as at 31st March 2018

	Notes	As at 31st March 2018 ₹ Lakhs
ASSETS		
Non- Current Assets		
(a) Property, Plant and Equipment	3.1	14,244.78
(b) Capital work-in-progress		15.04
(c) Intangible Assets	3.2	9,626.51
(d) Financial Assets		
(i) Investments	4	685.16
(ii) Loans and Deposits	5	2,984.98
(iii) Other Financial Assets	6	17,030.90
(e) Non Current Tax Assets (net)		289.21
(f) Other Non Current Assets	7	1,778.23
(A) Total Non Current Asset		46,654.81
Current Assets		
(a) Inventories	8	24,249.13
(b) Financial Assets		
(i) Trade Receivables	9	4,021.07
(ii) Cash and Cash Equivalents	10.1	1,940.90
(iii) Bank Balances other than (ii) above	10.2	8,059.79
(iv) Loans and Deposits	11	0.93
(v) Other Financial Assets	12	403.39
(c) Current Tax Assets (net)		7.44
(d) Other Current Assets	13	2,010.74
(B) Total Current Asset		40,693.39
TOTAL ASSETS [(A)+(B)]		87,348.20
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share Capital	14	-
(b) Share Suspense	15	3,976.71
(c) Other Equity	16	50,735.48
(C) Total Equity		54,712.19
LIABILITIES		
Non-Current Liabilities		
(a) Financial Liabilities	17	78.04
(b) Provisions	18	824.73
(D) Total Non-Current Liabilities		902.77
Current Liabilities		
(a) Financial Liabilities		
(i) Trade Payables	19	
- Total outstanding dues of Micro and small enterprises		
- Total outstanding dues of creditors other than Micro and small enterprises		28,021.99
(ii) Other Financial Liabilities	20	1,465.75
(b) Other Current Liabilities	21	749.08
(c) Provisions	22	1,496.42
(E) Total Current Liabilities		31,733.24
TOTAL EQUITY AND LIABILITIES [(C)+(D)+(E)]		87,348.20

The accompanying notes form integral part of these Consolidated Financial Statements

This is the Consolidated Balance Sheet referred to in our Report of even date.

For Batliboi, Purohit & Darbari

Chartered Accountants
 Firm Registration Number - 303086E

CA Hemal Mehta
 Partner

Membership No. 063404

Place : Kolkata

Date : 25th October 2018



For and on behalf of the Board of Directors

[Signature] Director *[Signature]* Director

Place : Kolkata

Date : 25th October 2018



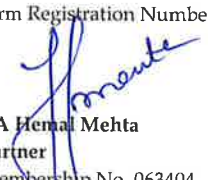
	Notes	For the period 8th February 2017 to 31st March 2018 ₹ Lakhs
Income:		
Revenue from operations	23	1,04,285.96
Other income	24	902.35
Total Income (I)		1,05,188.31
Expenses:		
Purchase of stock-in-trade		83,929.59
Changes in inventories of traded and finished goods	25	(659.65)
Cost of raw materials consumed	26	475.93
Employee benefits expense	27	7,602.21
Other expenses	28	13,384.39
Total Expenses (II)		1,04,732.47
Earnings before interest, tax, depreciation and amortisation (EBITDA) [(I)-(II)]		455.84
Depreciation and amortisation	29	1,488.30
Finance costs	30	380.23
Loss for the period (III)		(1,412.69)
Other Comprehensive Income		
Items that will not be reclassified subsequently to profit or loss		
- Remeasurement of defined benefit plans		(29.44)
Other Comprehensive Income for the period (IV)		(29.44)
Total Comprehensive Income for the period [(III)+(IV)]		(1,442.13)
Earnings per share - Basic and Diluted (Nominal value ₹5 per share)	31	(4.07)

The accompanying notes form integral part of these Consolidated Financial Statements

This is the Consolidated Statement of Profit and Loss referred to in our Report of even date.

For Batliboi, Purohit & Darbari

Chartered Accountants
Firm Registration Number - 303086E


CA Hemal Mehta
Partner
Membership No. 063404

Place : Kolkata
Date : 25th October 2018



For and on behalf of the Board of Directors

 
Director Director

Place : Kolkata
Date : 25th October 2018



RP-SG Retail Limited

Consolidated Statement of Changes in Equity for the period ended 8th February 2017 to 31st March 2018

		As at 31st March 2018	
		No. of Shares	₹ in Lakhs
A. Equity Share Capital			
B. Share Suspense*			
Equity Shares of ₹ 5 each		7,95,34,226	3,976.71

*Represents equity shares yet to be allotted


C. Other Equity

Particulars	Reserves and Surplus		Items of OCI	₹ Lakhs
	Capital Reserve	Retained Earnings		
Balance as at 8th February 2017	-	-	-	-
Loss for the period	-	(1,412.69)	-	(1,412.69)
Acquired during the period	56,133.85	(3,957.72)	1.48	52,177.61
Remeasurement of defined benefit plans	-	(29.44)	-	(29.44)
Balance as at 31st March 2018	56,133.85	(5,399.85)	1.48	50,735.48

The accompanying notes form integral part of these Consolidated Financial Statement:

This is the Consolidated Statement of Changes in Equity referred to in our Report of even date.

For Batliboi, Purohit & Darbari
Chartered Accountants
Firm Registration Number - 303086E


CA Hernal Mehta
Partner

Membership No. 063404

Place : Kolkata
Date : 25th October 2018



For and on behalf of the Board of Directors


Director

Director

Place : Kolkata
Date : 25th October 2018



	For the period 8th February 2017 31st March 2018
	₹ Lakhs
CASH FLOW FROM OPERATING ACTIVITIES	
Loss before tax	(1,412.69)
Adjustments :	
Depreciation and Amortisation	1,488.30
Provision for Bad and Doubtful Debts	84.11
Interest expense (excluding interest cost on actuarial valuation & asset retirement obligation)	1.42
Net gain on Sale of Mutual Fund units	(62.41)
Interest Income	(813.47)
Loss/(Gain) on sale/discard of Property, Plant & Equipments and Intangible assets	3.48
Provision/(Reversal) for Obsolete stocks	246.84
Operating Loss before working capital changes	(464.42)
Movement in working capital:	
Decrease in Trade payables	(1,646.86)
Decrease in Other Financial Liabilities	(3,289.83)
Decrease in Other Current Liabilities	(29.63)
Decrease in Provisions	(66.51)
Decrease in Trade Receivables	973.24
Increase in Inventories	(643.14)
Decrease in Other Financial Assets	370.64
Decrease in Loans and Deposits	153.14
Increase in Other Current Assets	(134.76)
Net cash used in operating activities (A)	(4,778.13)
CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Property, Plant and Equipments, including intangible assets, capital work in progress and capital advances	(750.97)
Proceeds from Sale of Property, Plant and Equipments	8.45
Investment in Alternative Investment Fund	(375.00)
Proceeds from sale of Mutual Fund units	15,962.40
Purchase of Mutual Fund units	(15,355.29)
Redemption/maturity of bank deposits (having original maturity of less than three months)	40,995.77
Investments in bank deposits (having original maturity of more than three months)	(59,991.87)
Interest received	567.02
Net cash used in Investing activities (B)	(18,939.49)
CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from Issue of Share Capital (including securities premium)	5.00
Proceeds/(Repayment) from short-term borrowings (net)	3,797.00
Interest paid	(18.81)
Net Cash Flow from financing activities (C)	3,783.19
Net Increase in Cash and Cash equivalents (A+B+C)	(19,934.43)
Cash and cash equivalents at the beginning of the period	21,875.33
Cash and cash equivalents at the end of the period	1,940.90
Components of cash and cash equivalents	
With banks-on current account	1,168.67
Balance with Credit Card, E-Wallet Companies & Others	405.99
Cash in hand	366.24
Total cash and cash equivalents (Refer Note 10.1)	1,940.90

Particulars	As on 8th February 2017	Cash flows from financing activities	Non-cash changes	As on 31st March 2018
Financial liabilities*	-	-	78.04	78.04

* Pertains to preference shares suspense (refer note 17)

The accompanying notes form integral part of these Consolidated Financial Statements

This is the Consolidated Cash Flow Statement referred to in our Report of even date.

For Batliboi, Purohit & Darbari
Chartered Accountants
Firm Registration Number - 303086E

CA Hemal Mehta
Partner
Membership No. 063404

Place : Kolkata
Date : 25th October 2018



For and on behalf of the Board of Directors

[Signature]
Director

[Signature]
Director

Place : Kolkata
Date : 25th October 2018



1 Corporate Information

The consolidated financial statements comprise financial statements of RP-SG Retail Limited (the Company) and its subsidiary (collectively, the Group) as at and for the period ended 8th February 2017 to 31st March 2018. The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act, 2013. The registered office of the Company is located at CESC House, Chowringhee Square, Kolkata 700001.

The Company is primarily engaged in developing, conducting, investing and promoting organised retail and operates departmental and neighbourhood stores under various formats across the country. The Company's subsidiary is mainly engaged in the business of delivery agent on commission basis.

2 Basis of Preparation

These consolidated financial statements for the year ended March 31, 2018 have been prepared in accordance with Indian Accounting Standards ("Ind-AS") under Section 133 of Companies Act 2013 and the Companies (Indian Accounting Standards) Rules, 2015 (the Rules) issued by the MCA.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets measured at fair value (refer accounting policy on investments).

2.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the RP-SG Retail Limited and its subsidiary as at 31st March 2018. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and are presented, to the extent possible, in the same manner as the parent and subsidiaries financial statements. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company.

The subsidiary company considered in the consolidated financial statements is as follows:

Name	Country of Incorporation	% of ownership interest as on
		31st March 2018
Omnipresent Retail India Pvt Ltd	India	100%

2.2 Significant Accounting Policies

a) Property, plant and equipment

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Expenditure in respect of improvements, etc. carried out at the rented / leased premises are capitalised and depreciated over the initial period of lease or useful life of assets, whichever is lower.

Expenditure incurred in setting up of stores are capitalized as a part of Leasehold improvements.

The present value of the expected cost to be incurred on removal of assets at the time of store closure is included in the cost of leasehold improvements. Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on Property, Plant and Equipment is calculated on a straight-line basis using the rates arrived based on the useful lives estimated by the management, which is as follows:

Class of Assets	Useful lives estimated by the management (years)
Computers & Hardware	3 to 6 years
Furniture & Fixtures	3 to 15 years
Vehicles	5 years
Office equipments	5 years
Plant & Machinery	15 years

The management has estimated, based on the Group's internal evaluation, the useful lives of certain furniture & fixtures and vehicle between 3 to 5 years. These lives are lower than those indicated in Schedule II. The management believes that these estimated useful life are realistic and reflect fair approximation of the period over which the asset are likely to be used.

The carrying amount of assets is reviewed at each balance sheet date, to determine if there is any indication of impairment based on the internal/external factors. An impairment loss is recognized wherever the carrying amount of assets exceeds its recoverable amount which is the greater of net selling price and value in use of the respective assets. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risk specific to the asset. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.



b) **Intangible assets**

Acquired Computer softwares, trademark, knowhow and licenses are capitalised on the basis of the costs incurred to acquire and bring the specific asset to its intended use and subsequently at cost less accumulated amortisation and accumulated impairment loss, if any.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an impairment indicator. The amortisation expense is recognised in the statement of profit and loss.

Gain or loss arising on disposal of the intangible asset is included in the statement of profit and loss.

A summary of the amortisation period applied to the Group's intangible assets is, as follows:

Class of Assets	Useful lives estimated by the management (years)
Computer Softwares	6 years
Knowhow & Licenses	10 years

The Group has considered infinite life for Trade mark and hence it is tested for impairment annually.

c) **Borrowing Cost**

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale is capitalised as part of the cost of the asset. All other 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.

d) **Investments**

Investment in equity instruments are measured at Fair Value through Other Comprehensive Income (FVTOCI). All fair value changes on such investments, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Investments in units of Mutual Funds and Alternative Investment Fund are accounted for at fair value and the changes in fair value are recognised in Statement of Profit and Loss.

e) **Impairment of financial assets**

In accordance with Ind AS 109: Financial Instruments, the Group recognises impairment loss allowance on deposits based on historically observed default rates. Impairment loss allowance recognised/reversed during the year are charged/written back to Statement of Profit and Loss.

f) **Inventories**

Traded Goods and Packing materials are valued at lower of cost and net realizable value. Cost includes purchase price and other incidental expenses. Cost is determined under moving weighted average method.

Raw Materials are valued at lower of cost and net realisable value. However, materials held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

Obsolete, slow moving and defective inventories are identified from time to time and where necessary a provision is made for such inventories.

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

g) **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.

h) **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and 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.

i) **Retirement and other employee benefits**

Retirement benefits in the form of Provident & Superannuation Funds are defined contribution schemes and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the respective funds.

Gratuity liability is a defined benefit obligation and contribution, by way of premium is paid to Life Insurance Corporation of India (L.I.C.), under the Group Gratuity Scheme. Gratuity liability is provided based on actuarial valuation on projected unit credit method done at the end of each financial year.

Long term compensated absences are provided for on the basis of actuarial valuation carried out at the year end as per projected unit credit method.

The current and non current bifurcation has been done as per the Actuarial report.

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 Other Comprehensive Income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- (i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- (ii) Net interest expense or income



j) **Foreign Currency Transactions**

Transactions in foreign currencies are initially recorded in reporting currency by the Group at spot rates at the date of transaction. The Company's functional currency and reporting currency is same i.e. Indian Rupees.

Foreign currency monetary items are reported using the closing rate. Foreign currency non-monetary items measured at historical cost are translated using the exchange rates at the dates of the initial transactions. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

k) **Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being received. 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 Group has concluded that it is the principal in all its revenue arrangements except in case of Sale of Concessionaire's products where the title of the goods passes to the Group at the time of sale to customer and inventory risk remains with the vendor. The Group considers concessionaire to be the primary obligator and hence recognises only its net margin in the Statement of Profit and Loss.

Gift vouchers /cards sales are recognised when the vouchers are redeemed and goods are sold to the customers.

Excise duty is a liability of the manufacturer irrespective of whether the goods are sold or not. Hence, the recovery of excise duty flows to the Group on its own account and accordingly revenue includes excise duty. However, Sales tax/ value added tax (VAT)/ Goods and Service Tax (GST) are collected on behalf of the government and accordingly, it is excluded from revenue.

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

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances and discounts. The Group operates a loyalty points programme, which allows customers to accumulate points when they purchase products in the Group's retail stores. The points can be redeemed for free products.

Consideration received by the Group on sale of goods is allocated between the products sold and the points issued based on their fair values. Fair value of the points is determined using value of goods which can be bought by redeeming such points and the same is deferred and recognised as revenue on redemption.

Income from Recoveries and Services

Income from recoveries and services mainly represents recoveries made on account of advertisement for use of space by the customers and other expenses charged from suppliers and are recognized and recorded based on the arrangements with concerned parties.

Interest Income

Interest income is recorded using the effective interest rate (EIR). Interest income is included as finance income in the Statement of Profit and Loss.

l) **Taxes****Current income tax**

Current income tax is measured at the amount expected to be paid, if any to the tax authorities in accordance with Indian Income Tax Act. Management periodically evaluates positions taken in the tax returns vis-a-vis positions taken in books of account, which are subject to interpretation, and creates provisions where appropriate.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases and accounting bases of assets and liabilities at the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet 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.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.



m) **Leases**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. All other leases are operating lease. Operating lease payments as per terms of the agreement are recognised as an expense in the Statement of Profit and Loss representing the time pattern of benefit to the Group as per specific lease terms.

n) **Earnings per Share**

Basic earnings per share is calculated by dividing the net profit or loss before Other Comprehensive Income for the year by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss before Other Comprehensive Income for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

o) **Contingent liabilities**

A contingent liabilities is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

p) **Business Combination**

Business combination involving entities or businesses under common control are accounted for using the pooling of interest method whereby the assets and liabilities of the combining entities / business are reflected at their carrying value and necessary adjustments , if any, have been given effect to as per the scheme approved by National Group Law Tribunal.

q) **Measurement of EBITDA**

The Group has elected to present earnings before interest, tax expenses, depreciation and amortization expenses (EBITDA) as a separate line item on the face of the Statement of Profit and Loss.

r) **Standards Issued but not yet Effective**

The standard issued but not yet effective up to the date of issuance of the Company's financial statements is disclosed below. The Group intends to adopt this standard when it becomes effective.

- Ind AS 115 - Revenue from contracts with customers
- Ind AS 12 - Income Taxes
- Ind AS 40 - Investment property
- Ind AS 21 - Foreign currency transaction and advance considerations

The MCA has notified Companies (Indian Accounting Standards) (Amendment) Rules, 2017 to amend the above Ind AS's. The amendment will come into force from accounting period commencing on or after April 1, 2018. The Group is in the process of assessing the possible impact of Ind AS 115, Ind AS 12, Ind AS 21 and will adopt the amendments on the required effective date whereas Ind AS 40 is not applicable to the Company.



RP-SG Retail Limited

Notes to Consolidated Financial Statements as at and for the period ended 8th February 2017 to 31st March 2018

3.1 Property, Plant and Equipment

	Leasehold Improvements	Plant and Machinery	Computer Hardwares	Vehicles	Furniture and Fixtures	Office Equipments	Total
<u>Gross carrying amount</u>							₹ Lakhs
<u>Cost</u>							
As at 8th February 2017	9,101.76	4,205.47	1,536.16	22.96	6,440.91	134.48	21,441.74
Acquired during the period (refer note below)	6.45	184.21	220.81	-	96.82	4.60	512.89
Additions	174.84	13.22	8.72	3.41	29.59	0.34	230.12
Disposals	8,933.37	4,376.46	1,748.25	19.55	6,508.14	138.74	21,724.51
As at 31st March 2018							
<u>Accumulated depreciation</u>							
As at 8th February 2017	2,136.38	901.69	927.90	13.40	2,327.67	20.52	6,327.56
Acquired during the period (refer note below)	433.68	234.74	180.05	8.23	503.25	7.39	1,367.34
Depreciation for the period (refer note 29)	174.84	11.85	6.17	3.41	18.66	0.24	215.17
Disposals	2,395.22	1,124.58	1,101.78	18.22	2,812.26	27.67	7,479.73
As at 31st March 2018							
<u>Net carrying amount</u>							
As at 8th February 2017	6,538.15	3,251.88	646.47	1.33	3,695.88	111.07	14,244.78
As at 31st March 2018	9,098.25	4,199.80	1,514.48	22.96	6,433.70	131.97	21,401.16
<u>Note:</u>	3.51	5.67	21.68	-	7.21	2.51	40.58
<u>Gross block of asset acquired</u>	9,101.76	4,205.47	1,536.16	22.96	6,440.91	134.48	21,441.74
Acquired pursuant to the Scheme (refer note 41)	2,135.98	901.45	922.74	13.40	2,326.77	20.00	6,320.34
Acquired during the period	0.40	0.24	5.16	-	0.90	0.52	7.22
<u>Accumulated depreciation of asset acquired</u>	2,136.38	901.69	927.90	13.40	2,327.67	20.52	6,327.56
Acquired pursuant to the Scheme (refer note 41)							
Acquired during the period							



RP-SG Retail Limited

Notes to Consolidated Financial Statements as at and for the period ended 8th February 2017 to 31st March 2018

3.2 Intangible Assets

	Computer Softwares	Know-How and License	Trade Mark *	₹ Lakhs Total
<u>Gross carrying amount</u>				
<u>Cost</u>				
As at 8th February 2017	-	-	-	-
Acquired during the period (refer note below)	843.57	295.05	8,625.00	9,763.62
Additions	435.17	-	-	435.17
Disposals	2.47	-	-	2.47
As at 31st March 2018	<u>1,276.27</u>	<u>295.05</u>	<u>8,625.00</u>	<u>10,196.32</u>
<u>Accumulated amortisation</u>				
As at 8th February 2017	-	-	-	-
Acquired during the period (refer note below)	300.53	150.67	-	451.20
Amortisation for the period (refer note 29)	93.60	27.36	-	120.96
Disposals	2.35	-	-	2.35
As at 31st March 2018	<u>391.78</u>	<u>178.03</u>	<u>-</u>	<u>569.81</u>

Net carrying amount

As at 8th February 2017	-	-	-	-
As at 31st March 2018	<u>884.49</u>	<u>117.02</u>	<u>8,625.00</u>	<u>9,626.51</u>

* Trademark has been considered of having an indefinite useful life taking into account that there are no technical, technological or commercial risks of obsolescence or limitations under contract or law. The indefinite life intangible assets are tested for impairment annually.

Note :

Gross Block of asset acquired

Acquired pursuant to the Scheme (refer note 41)	758.10	295.05	8,625.00	9,678.15
Acquired during the period	85.47	-	-	85.47
	<u>843.57</u>	<u>295.05</u>	<u>8,625.00</u>	<u>9,763.62</u>

Accumulated amortisation of asset acquired

Acquired pursuant to the Scheme (refer note 41)	286.59	150.67	-	437.26
Acquired during the period	13.94	-	-	13.94
	<u>300.53</u>	<u>150.67</u>	<u>-</u>	<u>451.20</u>



4 Investments

	<u>31st March 2018</u>
	₹ Lakhs
Unquoted	
Investments in equity instruments (at FVTOCI)	
Retailer's Association of India: 10,000 equity share	1.00
Investment in Alternative Investment Fund (at FVTPL)	
Fireside Ventures Investment Fund 1 of ₹ 100,000 each : 750 units	684.16
	<u>685.16</u>

Aggregated amount of unquoted investments as at 31st March 2018: ₹ 685.16 Lakhs

5 Loans and Deposits (at amortised cost)

(Unsecured, considered good unless stated otherwise)

	<u>31st March 2018</u>
	₹ Lakhs
Deposits	
Considered good	2,781.74
Significant increase in credit risk	217.19
Credit impaired	131.99
	<u>3,130.92</u>
Impairment allowance:	
Significant increase in credit risk	(13.95)
Credit impaired	(131.99)
	<u>2,984.98</u>

6 Other Financial Assets (at amortised cost)

(Unsecured, considered good unless stated otherwise)

	<u>31st March 2018</u>
	₹ Lakhs
Other Bank balances	
-Deposits with original maturity for more than 12 months	15,300.00
-Margin Money Deposit *	1,640.88
Interest accrued on deposits	89.81
Advances to employees	0.21
	<u>17,030.90</u>

* Margin money deposits of ₹ 17,030.90 Lakhs are encumbered with banks against bank guarantees and overdraft facilities.

7 Other Non Current Assets

(Unsecured, considered good unless stated otherwise)

	<u>31st March 2018</u>
	₹ Lakhs
Capital Advances	18.84
Less: Considered doubtful	(3.54)
	<u>15.30</u>
Advances other than capital advances:	
Advances Recoverable in cash or in kind	0.51
Prepaid Expenses	1,731.39
Deposits for claims and tax disputes	31.03
	<u>1,778.23</u>



8 Inventories		31st March 2018
(At lower of cost and net realisable value)		₹ Lakhs
Raw Material		79.29
Finished Goods		18.50
Stock-in-trade		24,573.90
Less : Provision for Obsolete Stock		(694.28)
		<u>23,879.62</u>
Packing Materials		298.59
Less : Provision for Obsolete Stock		(26.87)
		<u>271.72</u>
		<u>24,249.13</u>
9 Trade Receivables (at amortised cost)		31st March 2018
(Unsecured, considered good unless stated otherwise)		₹ Lakhs
Considered good		4,021.07
Credit impaired		81.50
		<u>4,102.57</u>
Less: allowance for credit impaired receivable		(81.50)
		<u>4,021.07</u>
Trade receivables are non-interest bearing and are generally agreed on terms of 30 to 90 days. Refer Note 36 for receivables from related parties.		
10 Cash and Bank balances		31st March 2018
10.1 Cash and Cash Equivalents		₹ Lakhs
Balance with Banks		
- On current accounts		1,168.67
Balance with Credit Card, E-Wallet Companies & Others		405.99
Cash in hand		366.24
		<u>1,940.90</u>
10.2 Other bank balances		
Deposits with original maturity more than 3 months less than 12 months		8,059.79
		<u>8,059.79</u>
11 Loans and Deposits (at amortised cost)		31st March 2018
(Unsecured, considered good)		₹ Lakhs
Deposits		0.93
		<u>0.93</u>
12 Other Financial Assets (at amortised cost)		31st March 2018
(Unsecured, considered good unless stated otherwise)		₹ Lakhs
Other Bank balances		
- Deposits with original maturity for more than 12 months		239.81
Interest accrued on deposits		122.87
Advances to employees		40.71
		<u>403.39</u>
13 Other Current Assets		31st March 2018
(Unsecured, considered good unless stated otherwise)		₹ Lakhs
Advances Recoverable in cash or in kind		325.30
Prepaid Expenses		658.50
Balance with Statutory / Government Authorities		1,026.94
		<u>2,010.74</u>



14 Equity Share Capital

	31st March 2018	
	No. of Shares	₹ in Lakhs
Authorised		
Equity shares of ₹5 each	2,99,01,00,000	1,49,505.00
Preference shares of ₹ 100 each	5,00,000	500.00
	<u>2,99,06,00,000</u>	<u>1,50,005.00</u>

15 Equity Share Suspense

	31st March 2018	
	No. of Shares	₹ in Lakhs
Equity shares to be issued pursuant to the Scheme (refer note 41)		
Equity shares of ₹5 each	7,95,34,226	3,976.71

Note:

- 7,95,34,226 equity shares of ₹ 5 each amounting to ₹ 3,976.71 Lakhs is the proposed equity share capital of RP-SG Retail Limited effective from 1 October, 2017 post restructuring. The Company is in the process of listing its equity shares in the recognised Stock exchanges in India, hence the share capital stands unallotted and disclosed under equity share suspense account.
- In terms of the Scheme, the paid up Equity Share Capital of ₹ 5.00 lakhs of RP-SG Retail Limited pertaining to the period prior to the Appointed date i.e. 1st October 2017 stands cancelled and reduced (refer note 41).

16 Other Equity

	31st March 2018	
	₹ Lakhs	
16.1 Capital Reserve		
Balance as at beginning of the period	-	
Add: Acquired during the period Restructuring/Acquisition (refer Note (i) below)	56,133.85	
Closing Balance	<u>56,133.85</u>	
16.2 Retained Earnings		
Balance as at beginning of the period	-	
Balance as at acquisition date	(3,957.72)	
Remeasurement gains/(losses) on defined benefit plans	(29.44)	
Loss for the period	(1,412.69)	
Closing Balance	<u>(5,399.85)</u>	
16.3 Other Comprehensive Income (OCI) Reserve		
Balance as at beginning of the period	-	
Balance as at acquisition date	1.48	
Closing Balance	<u>1.48</u>	
	<u>50,735.48</u>	

i) Capital Reserve

Capital Reserve represents amount transferred pursuant to the restructuring scheme and acquisition details of which is given below:

	31st March 2018	
	₹ Lakhs	
Balance as at beginning of the period	-	
Balance as at acquisition pursuant to the Scheme (refer note 41)	55,965.23	
Balance as at acquisition of subsidiary	168.62	
Total	<u>56,133.85</u>	

ii) Retained Earnings

Retained earnings includes reserves created out of profits and remeasurement gains/ losses on defined benefit plans.

iii) Other comprehensive income

The Group has elected to recognise changes in the fair value of equity instruments in Other Comprehensive Income. These changes accumulated within the FVTOCI equity investment within equity. The Group transfers amounts from this reserve to Retained Earning when the relevant equity share is derecognised.



17 Financial Liabilities (at amortised cost)

	<u>31st March 2018</u>
	₹ Lakhs
Preference share suspense	
0.01% non-cumulative non-convertible redeemable preference shares of ₹ 100 each: 500,000 shares to be issued pursuant to the Scheme (refer note 41)	78.04
	<u>78.04</u>

Rights, preferences and restrictions attached to preference shares to be issued :

The non-convertible non-cumulative redeemable 500,000 preference shares of ₹ 100 each carrying dividend @ 0.01% per annum redeemable at par after 20 years from date of allotment.

18 Provisions

	<u>31st March 2018</u>
	₹ Lakhs
Provisions for Employee Benefits	
Gratuity (refer note 35)	311.14
Leave	266.76
	<u>577.90</u>
Other Provisions	
Provision for Decommissioning Liability (refer note below)	246.83
	<u>824.73</u>

A provision is recognised for expected cost of removal of assets situated at various rented premises and is measured at the present value of expected costs to settle the obligation. The table below gives information about the movement in provision for decommissioning liability :

Movement of provision for Decommissioning Liability

Opening balance	-
Add: Acquired pursuant to the Scheme (refer note 41)	230.74
Add: Provision created during the period	19.23
Less: Provision reversed / utilised during the period	(3.14)
Closing balance	<u>246.83</u>

19 Trade Payable

	<u>31st March 2018</u>
	₹ Lakhs
- Total outstanding dues of Micro and small enterprises	-
- Total outstanding dues of creditors other than Micro and small enterprises	28,021.99
	<u>28,021.99</u>

Trade payable are non interest bearing and are normally settled on 30 to 180 days term.

Refer Note 36 for dues to related parties.

20 Other Financial Liabilities (at amortised cost)

	<u>31st March 2018</u>
	₹ Lakhs
Sundry Deposits	319.64
Liability for capital goods	272.45
Others	
- Payables to Employees	873.66
	<u>1,465.75</u>



21 Other Current Liabilities

	<u>31st March 2018</u>
	₹ Lakhs
Advances from customers	362.41
Statutory dues	386.67
	<u>749.08</u>

22 Provisions

	<u>31st March 2018</u>
	₹ Lakhs
Provisions for Employee Benefits	
Gratuity (refer note 35)	17.25
Leave	13.22
	<u>30.47</u>
Other Provisions	
Tax disputes [refer note (a) below]	293.53
Claims on leased properties [refer note (b) below]	1,172.42
	<u>1,496.42</u>

- (a) The management has estimated the provisions for pending disputes, claims and demands relating to indirect taxes based on it's assessment of probability for these demands crystallising against the company in due course.

Movement of provision for Tax disputes

Opening balance	-
Add: Acquired pursuant to the Scheme (refer note 41)	291.33
Add: Provision created during the period	2.20
Closing balance *	<u>293.53</u>

* Net of deposits as at 31st March 2018 ₹ 51.89 Lakhs made under appeal.

(b) Claims on Leased Properties

Retailers Association of India (RAI) of which the Company is a member, has filed Special Leave Petition before the Hon'ble Supreme Court of India, about the applicability of service tax on commercial rent on immovable property. Pending disposal of the case, the Supreme Court has passed an interim ruling in Oct 2011 directing the members of RAI to pay 50% of total service tax liability up to Sept 2011 to the department and to furnish a surety for balance 50%. The Supreme Court has also clarified that the successful party in the appeal shall be entitled to interest on the amount stayed by the Court, at such rate as may be directed at the time of the final disposal of appeal. Accordingly the Company has already deposited ₹460 Lakhs and furnished a surety for ₹460 Lakhs towards the balance service tax liability, while interest, whose quantum and applicability is presently not ascertainable, will be provided on the disposal of the petition, if required.

Further, the Company has also been making provision for service tax on rent from October 2011 onwards, the balance whereof as on 31st March 2018 is ₹1,172.42 Lakhs .

Movement of provision for Claims on Leased Properties

Opening balance	-
Add: Acquired pursuant to the Scheme (refer note 41)	1,162.97
Add: Provision created during the period	9.45
Closing balance	<u>1,172.42</u>



	For the period 8th February 2017 to 31st March 2018
	₹ Lakhs
23 Revenue from operations	
Sales of goods	96,472.11
Other operating revenue	
Income from recoveries and services	7,526.28
Income on sale of concessionaire products	287.57
	<u>1,04,285.96</u>
The gross sales of the company is ₹98,005.76 lakhs; represents sale of goods ₹96,472.11 lakhs and sale of concessionaire products of ₹1,533.65 lakhs.	
24 Other income	
	For the period 8th February 2017 to 31st March 2018
	₹ Lakhs
Interest Income	
- Bank Deposits	722.85
- Rental Deposits	90.62
Net Gain on Sale of Investments	62.41
Miscellaneous Income	26.47
	<u>902.35</u>
25 Changes in inventories of traded and finished goods	
	For the period 8th February 2017 to 31st March 2018
	₹ Lakhs
Inventories at the beginning of the period	-
Inventories acquired pursuant to the Scheme (refer note 41)	23,932.75
Inventories at the end of the period	24,592.40
Changes in inventories of traded and finished goods	<u>(659.65)</u>
26 Cost of raw materials consumed	
	For the period 8th February 2017 to 31st March 2018
	₹ Lakhs
Inventories at the beginning of the period	-
Inventories acquired pursuant to the Scheme (refer note 41)	87.57
Purchases during the period	467.65
	555.22
Inventories at the end of the period	79.29
Cost of raw materials consumed	<u>475.93</u>
27 Employee benefits expense	
	For the period 8th February 2017 to 31st March 2018
	₹ Lakhs
Salaries, wages and bonus	6,835.45
Contribution to provident and other funds (refer note 35)	465.52
Staff welfare expenses	301.24
	<u>7,602.21</u>



28 Other Expenses

	For the period 8th February 2017 to 31st March 2018
	₹ Lakhs
Power and Fuel	1,805.14
Freight	111.90
Rent [refer note 33 (a)]	4,891.12
Repairs and Maintenance	
- Plant and machinery	0.36
- Buildings	182.66
- Others	1,359.74
Insurance	36.36
Rates and taxes	227.66
Advertisement and Selling Expenses	1,191.42
Packing Materials Consumed	220.50
Travelling and Conveyance	208.80
Auditor's remuneration	
- Statutory audit fees	2.20
- Tax audit fees	-
- Others	-
- Tax	-
- Reimbursement of expenses	2.20
Communication expenses	134.06
Printing and Stationery	123.61
Legal and consultancy charges	134.89
Contract Labour Charges	
- Housekeeping expenses	1,442.91
- Security Charges	746.68
Loss on Sale/ Write off of Property Plant & Equipment (net)	3.48
Bad Debts/Irrecoverable Balances written off	3.14
Provision for Bad and Doubtful Debts	80.97
Miscellaneous Expenses	476.79
	<u>13,384.39</u>

29 Depreciation and amortisation

	For the period 8th February 2017 to 31st March 2018
	₹ Lakhs
Depreciation of property, plant and equipment (refer note 3.1)	1,367.34
Amortisation of intangible assets (refer note 3.2)	120.96
	<u>1,488.30</u>

30 Finance costs

	For the period 8th February 2017 to 31st March 2018
	₹ Lakhs
Interest expense	21.36
Other costs	358.87
	<u>380.23</u>



31 Earning per share (EPS)

Basic and Diluted EPS have been calculated by dividing the Loss for the period attributable to equity holders of the Group by the weighted average number of Equity shares outstanding during the period.

	For the period 8th February 2017 to 31st March 2018
Loss for the period (₹ Lakhs)	(1,412.69)
Weighted average number of equity shares for earning per share *	3,47,40,957
Earnings per Share – basic and diluted (Face value of ₹ 5 each)	(4.07)

* For the purpose of calculating Earnings Per Share for the period 8th February 2017 to 31st March 2018, the Equity Shares issued pursuant to the Scheme (Refer Note 41) have been considered effective as on 01 October 2017, being the Appointed Date under the Scheme and the equity shares of RP-SG Retail Limited outstanding stands cancelled from the aforesaid date.

32 Significant accounting judgement, estimates and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions, as described below, that affect the reported amounts and the disclosures. The Group based its assumptions and estimates on parameters available when the financial statements were prepared and are reviewed at each Balance Sheet date. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the reported amounts and disclosures.

(a) Employee benefit plans (Gratuity and Leave encashment benefits)

The cost of the employment benefit plans and their present value are determined using actuarial valuations which involves making various assumptions that may differ from actual developments in the future.

For further details, refer Note 35.

(b) Non Recognition of Deferred Tax Asset

Deferred tax asset of ₹ 49,737.92 Lakhs relating to deductible temporary differences, and unused tax losses has not been recognized in the balance sheet.

33 Commitments and contingencies**a) Leases****Operating lease commitments (Group as Lessee)**

Retail stores are taken by the Group generally on operating lease and the lease rent is payable as per the agreements entered into with the lessors. Agreements are both in the nature of cancellable and non-cancellable leases. The lease term is for varied years and renewable for further years as per the agreements at the option of the Group. There are no restrictions imposed by these lease arrangements. The details of lease rentals payable are given below:

	31st March 2018
	₹ Lakhs
Lease expenses for the period	4,891.12
Future Minimum Lease Payments -	
Not Later than one year	7,136.24
Later than one year but not later than five years	28,040.31
Later than five years	46,134.26

b) Contingencies

Contingent liabilities not provided for in respect of:

- Sales Tax/VAT demands under appeal	951.20
- Service Tax demands under appeal	553.89
- Claims against the Group not acknowledged as debt	4397.26

c) Commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of	277.53
- for Investments	750.00

34 Segment information

The Group has identified a single operating segment i.e. organised retailing. The Group at present operates only in India and therefore the analysis of geographical segment is not applicable to the Group.



35 **Gratuity and other post employment benefit plans**

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of the Payment of Gratuity Act, 1972. The scheme is funded with an insurance company.

- a) The following tables summarises the components of net benefit expense recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income for the period:

	For the period 8th February 2017 to 31st March 2018
	₹ Lakhs
Expenses recognised in the Consolidated Statement of Profit and loss	
Current service cost	31.78
Interest cost	14.68
Interest income	(2.18)
	<u>44.28</u>
Expenses recognised in other comprehensive income	
Net actuarial (gain) / loss recognised in the period	29.44
Total expense	<u><u>73.72</u></u>

- b) The following tables summaries the components of funded status and amounts recognised in the consolidated balance sheet for the plan.

- (i) Net Asset/(Liability) recognized as on the Balance Sheet date:

	31st March 2018
	₹ Lakhs
Present value of defined benefit obligation	401.64
Fair value of plan assets	73.25
Net Asset /(Liability)	<u><u>(328.39)</u></u>

- (ii) Changes in the present value of the defined benefit obligation are as follows:

	31st March 2018
	₹ Lakhs
Present value of defined benefit obligation at the beginning of the period	-
Current service cost	31.78
Interest cost	14.68
Transferred pursuant to the Scheme (refer note 41)	431.31
Benefits paid	(103.64)
Actuarial (gains) / losses on obligation	27.52
Arising from changes in experience	27.56
Arising from changes in demographic	-
Arising from changes in financial assumptions	(0.04)
Present value of defined benefit obligation at the end of the period	<u><u>401.64</u></u>

- (iii) Changes in the fair value of plan assets:

	31st March 2018
	₹ Lakhs
Fair value of plan assets at the beginning of the period	-
Expected return on plan assets	2.18
Contributions by employer	120.00
Transferred pursuant to the Scheme (refer note 41)	56.63
Actual benefits paid	(103.64)
Actuarial gains / (losses)	(1.92)
Fair value of plan assets at the end of the period	<u><u>73.25</u></u>

- (iv) The Group expects to contribute ₹ 33.68 lakhs to Gratuity Fund in the next year.

- (v) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows

	31st March 2018
Investments with insurer	100%

- (vi) Actuarial Assumptions:

	31st March 2018
Discount rate	7.70%
Expected rate of return on assets	7.70%
Employee turnover	Grade wise attrition ranging from 12% to 67%



- (vii) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market
- (viii) Contribution to Provident and Other Funds includes ₹ 290.65 Lakhs paid towards defined contribution plans.

ix) The basis of various assumptions used in actuarial valuations and their quantitative sensitivity analysis is as shown below:

31st March 2018		
Assumptions	Discount rate (a)	
Sensitivity level	<u>0.5% increase</u>	<u>0.5% decrease</u>
	₹ Lakhs	₹ Lakhs
Impact	21.40	(23.30)
Assumptions	Future salary (b)	
Sensitivity level	<u>0.5% increase</u>	<u>0.5% decrease</u>
	₹ Lakhs	₹ Lakhs
Impact	(23.52)	21.75
Assumptions	Mortality (c)	
Sensitivity level	<u>10% increase</u>	<u>10% decrease</u>
	₹ Lakhs	₹ Lakhs
Impact	(0.74)	0.71
Assumptions	Attrition rate (b)	
Sensitivity level	<u>0.5% increase</u>	<u>0.5% decrease</u>
	₹ Lakhs	₹ Lakhs
Impact	(2.05)	2.04

(a) Based on interest rates of government bonds

(b) Based on management estimate

(c) Based on IALM 2006-2008 ultimate mortality table



36 Related party disclosure

(A) Name	Relationship	Place of Incorporation	Ownership Interest(%)
			31-Mar-18
Rainbow Investments Limited	Parent (having Control in terms of Ind As 110)	India	Having Control in terms of Ind As 110
Omnipresent Retail India Private Limited	Subsidiary Company	India	100%
Sunil Bhandari	Director	-	-
Gautam Ray	Director	-	-
Rajarshi Banerjee	Director	-	-

Other Related Parties having transactions during the period

(B) Entities Under Common Control

Name
CESC Limited
Quest Properties India Limited
Phillips Carbon Black Limited
Guiltfree Industries Limited
Bowlopedia Restaurants India Limited
Kolkata Games and Sports Pvt Ltd
Saregama India Ltd
Open Media Network Pvt Ltd
Au Bon Pain Café India Limited
First Source Solutions Limited

(C) Details of transactions entered into with the related parties:

Particulars	Subsidiaries		Companies Under Common Control		Total	
	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding
		as on 31/3/2018		as on 31/3/2018		as on 31/3/2018
Income from Sale of Goods	-	-	-	-	-	-
CESC Limited	-	-	31.41	0.31	31.41	0.31
Quest Properties India Limited	-	-	7.70	0.31	7.70	0.31
Phillips Carbon Black Limited	-	-	9.50	-	9.50	-
Guiltfree Industries Limited	-	-	0.12	-	0.12	-
Bowlopedia Restaurants India Limited	-	-	0.21	-	0.21	-
Kolkata Games and Sports Pvt Ltd	-	-	2.74	-	2.74	-
Others	-	-	3.07	-	3.07	-
Purchase of Goods	-	-	-	-	-	-
Guiltfree Industries Limited	-	-	48.34	-	48.34	-
Saregama India Ltd	-	-	57.32	43.94	57.32	43.94
Others	-	-	0.55	0.91	0.55	0.91

₹ Lakhs



36 Related party disclosure

Particulars	Subsidiaries		Companies Under Common Control		Total	
	Transaction Value	Balance	Transaction Value	Balance	Transaction Value	Balance
		Outstanding as on 31/3/2018		Outstanding as on 31/3/2018		Outstanding as on 31/3/2018
₹ Lakhs						
Rendering of Services						
Guiltfree Industries Limited	-	-	62.49	27.34	62.49	27.34
Others	-	-	4.76	3.99	4.76	3.99
Purchase of Property and other Assets						
Au Bon Pain Café India Limited	-	-	4.68	4.68	4.68	4.68
Expenses Recoverable						
CESC Limited	-	-	1,598.76	1,598.76	1,598.76	1,598.76
Au Bon Pain Café India Limited	-	-	13.03	13.03	13.03	13.03
Bowlopedia Restaurants India Limited	-	-	3.80	3.80	3.80	3.80
Others	-	-	16.83	16.83	16.83	16.83
Expense Incurred						
CESC Limited	-	-	60.06	4.84	60.06	4.84
Quest Properties India Limited	-	-	329.51	83.21	329.51	83.21
Others	-	-	0.46	5.17	0.46	5.17
Security Deposit Receivable						
CESC Limited	-	-	-	24.29	-	24.29
Quest Properties India Limited	-	-	-	107.94	-	107.94
Security Deposit Payable						
Au Bon Pain Café India Limited	-	-	61.67	61.67	61.67	61.67
Bowlopedia Restaurants India Limited	-	-	1.93	1.93	1.93	1.93
CESC Limited	-	-	-	1.24	-	1.24
Sales Collection Received on behalf of						
CESC Limited	-	-	1,290.60	1,290.60	1,290.60	1,290.60
Balance outstanding for the Period end						
CESC Limited						
	Receivable	-	-	-	-	1,623.36
	Payable	-	-	-	-	(1,300.67)
Guiltfree Industries Limited						
	Receivable	-	-	-	-	32.51
	Payable	-	-	-	-	-
Quest Properties India Limited						
	Receivable	-	-	-	-	108.25
	Payable	-	-	-	-	(83.21)
Au Bon Pain Café India Limited						
	Receivable	-	-	-	-	13.03
	Payable	-	-	-	-	(66.35)
Saregama India Ltd						
	Receivable	-	-	-	-	-
	Payable	-	-	-	-	(43.94)
Bowlopedia Restaurants India Limited						
	Receivable	-	-	-	-	3.80
	Payable	-	-	-	-	(1.93)
Others						
	Receivable	-	-	-	-	-
	Payable	-	-	-	-	(0.91)



37 Fair Values

(i) Class wise fair value of the Group's financial assets:

	<u>31st March 2018</u>
	<u>₹ Lakhs</u>
Investments (unquoted) in equity instruments	1.00
Investment in Alternative Investment Fund	684.16
	<u>685.16</u>

(ii) Fair Value Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Group's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

	<u>Fair Value Measurement Using</u>			<u>Total</u>
	<u>Level-1</u>	<u>Level-2</u>	<u>Level-3</u>	
Investments (unquoted) in equity instruments	-	-	1.00	1.00
Investment in Alternative Investment Fund	-	-	684.16	684.16

(iii) Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI assets:

	<u>₹ Lakhs</u>
Acquired during period	<u>1.00</u>
Closing balance	<u>1.00</u>



38 Financial risk management objectives and policies

The Group's financial liabilities comprise trade payables and other financial liabilities. The Group's financial assets include trade and other receivables, cash and cash equivalents, investments and deposits.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The senior management reviews and agrees policies for managing each of these risks, which are summarised below.

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 primarily comprises interest rate risk. Financial instruments affected by market risk include loans and deposits.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer's contract leading to a financial loss. The Group is exposed to credit risk from its financing activities, including deposits with banks and other financial instruments and cash deposits.

Credit risk from balances with banks is managed by the Group's treasury department in accordance with the Group's policy.

Investments of surplus funds are made only after review and approval of senior management.

The Group's maximum exposure to credit risk for the components of the balance sheet at 31 March 2018 is the carrying amounts as

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and funding from parent company.

39 Capital management

The Group's objective when managing capital (defined as net debt and equity) is to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefit for other stakeholders, while protecting and strengthening the balance sheet through the appropriate balance of debt and equity funding. The Group manages its capital structure and makes adjustments to it, in light of changes to economic conditions and strategic objectives of the Group.

40 Additional information in respect of net assets and profit / loss of each entity within the group and their proportionate share

	As at 31st March 2018		For the period ended 8th February 2017 to 31st March 2018	
	Net Assets, i.e. Total assets		Share in Profit or Loss	
	As a % of total	₹ Lakhs	As a % of total	₹ Lakhs
Holding :				
RP-SG Retail Limited	106%	58,085.10	65%	(942.92)
Subsidiary :				
Omnipresent Retail India Private Limited	-6%	(3,372.91)	35%	(499.21)
Total	100%	54,712.19	100%	(1,442.13)

41 The Board of Directors at its meeting held on 22nd May, 2017 approved, subject to necessary approvals, a composite scheme of arrangement (the Scheme) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 involving the Group, CESC Limited (CESC), Spencer's Retail Limited and seven other subsidiary companies of CESC as on that date. The Scheme, inter alia, provided for, inter alia, demerger of identified Retail Undertaking(s) of the Spencer's Retail Limited and CESC Limited as a going concern into RP-SG Retail Limited.

The Group received on 5th October, 2018 the certified copy of the order of National Company Law Tribunal (NCLT), being the appropriate authority which included the approval for the above referred activities. Accordingly, the Board of Directors in its meeting held on 12th October, 2018 had decided to give effect of the Scheme in terms of the NCLT Order as applicable to the Group with from the Appointed Date of 1st October, 2017 in its accounts for the year ended 31st March, 2018. The Net Assets acquired as at the Appointed Date at book value are as below:

CESC Limited	₹ 20,970.51 Lakhs
Spencer's Retail Limited	₹ 39,045.74 Lakhs

Pursuant to the Scheme, each existing shareholder of CESC Limited registered on the record date of 31st October, 2018 in respect of every 10 shares is entitled to 6 fully paid up equity shares of ₹ 5 each in RP-SG Retail Limited and CESC Limited is entitled to 500,000 fully paid up 0.01% non-cumulative compulsorily redeemable preference shares of ₹ 100 each being issued by the Group.

42 This period being the first financial reporting period of the Group, there is no previous period to be reported

For Batliboi, Purohit & Darbari

Chartered Accountants

Firm Registration Number - 303086E

CA Hemal Mehta

Partner

Membership No. 063404

Place : Kolkata

Date : 25th October 2018



For and on behalf of the Board of Directors

[Handwritten signatures]
Director Director

Place : Kolkata

Date : 25th October 2018

