

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

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

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**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, 2020, 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").

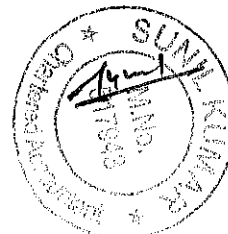
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, 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.

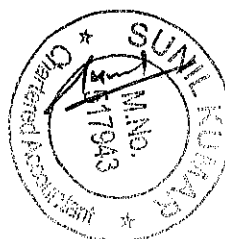
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **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.

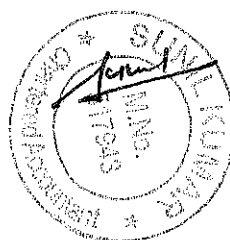
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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**

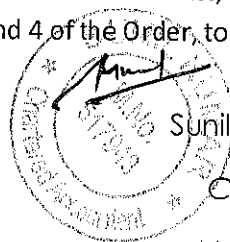
1. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- 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, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 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 A". 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.
2. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Place: Noida

Date: 24.06.2020



Sunil Kumar

Chartered Accountant

Membership No. 517943

FCP NO. 066881  
UDIN:20517943AAAAAH2119

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

**(Referred to in paragraph 1(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, 2020 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

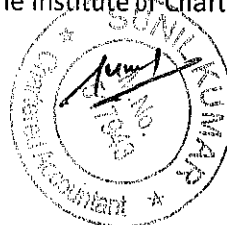
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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, 2020, 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: 24.06.2020



Sunil Kumar

Chartered Accountant

Membership No. 517943

FCP NO. 066881

UDIN:20517943AAAAAH2119

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

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

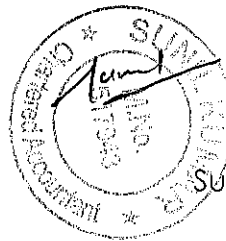
- (i) a) The Company does not have any fixed assets, as such there are no comment on clause
- b) As per books of accounts verified by us and according to the information and explanations given by the management the company does not have immovable properties and as such the sub clause is not applicable
- (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, 2020 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: 24.06.2020



Sunil Kumar

Chartered Accountant

Membership No. 517943

FCP NO. 066881

UDIN:20517943AAAAAH2119



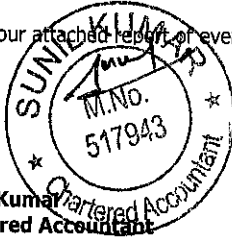
| Particulars                                      | Notes | Figures as at<br>31-03-2020<br>Rs. | Figures as at<br>31-03-2019<br>Rs. |
|--|-------|------------------------------------|------------------------------------|
| <b>ASSETS</b>                                    |       |                                    |                                    |
| <b>Non-current assets</b>                        |       |                                    |                                    |
| Non-current investments                          | 2     | -                                  | -                                  |
| <b>Current assets</b>                            |       |                                    |                                    |
| <b>Financial Assets</b>                          |       |                                    |                                    |
| Cash and cash equivalents                        | 3     | 17,790                             | 17,790                             |
| Loans  | 4     | -                                  | -                                  |
| Other Financial assets                           | 5     | -                                  | -                                  |
| Current Tax Assets (Net)                         | 6     | -                                  | -                                  |
|  |       | <u>2,812,651</u>                   | <u>2,767,187</u>                   |
|  |       | <b>2,830,441</b>                   | <b>2,784,977</b>                   |
| <b>TOTAL</b>                                     |       | <u><b>2,830,441</b></u>            | <u><b>2,784,973</b></u>            |
| <b>EQUITY AND LIABILITIES</b>                    |       |                                    |                                    |
| <b>Shareholders' funds</b>                       |       |                                    |                                    |
| Share capital                                    | 7     | 4,223,800,000                      | 4,223,800,000                      |
| Reserves and surplus                             | SOCE  | <u>(4,282,077,278)</u>             | <u>(4,281,506,086)</u>             |
|  |       | <b>(58,277,278)</b>                | <b>(57,706,086)</b>                |
| <b>Share Application Money pending allotment</b> | 4     | -                                  | -                                  |
| <b>Current liabilities</b>                       |       |                                    |                                    |
| <b>Financial Liabilities</b>                     |       |                                    |                                    |
| Short-term borrowings                            | 8     | 56,775,664                         | 56,775,664                         |
| Other Financial liabilities                      | 9     | 4,317,555                          | 3,706,395                          |
| Other current liabilities                        | 10    | 14,500                             | 9,000                              |
| Short term provisions                            | 11    | -                                  | -                                  |
|  |       | <u>61,107,719</u>                  | <u>60,491,059</u>                  |
| <b>TOTAL</b>                                     |       | <u><b>2,830,441</b></u>            | <u><b>2,784,973</b></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

  
 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

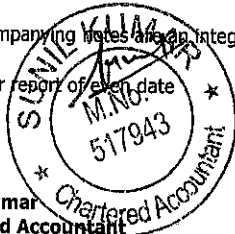
Place: Noida  
 Date: 24.06.2020

**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 Mar 31, 2020**

| Particulars  | Notes | Figures for the year ended | Figures for the year ended |
|--|-------|----------------------------|----------------------------|
|  |       | 31-03-2020                 | 31-03-2019                 |
|  |       | Rs.                        | Rs.                        |
| <b>Income</b>  |       |                            |                            |
| Other Income   | 12    | -                          | 137,778                    |
|  |       | -                          | <b>137,778</b>             |
| <b>Expenses</b>  |       |                            |                            |
| Employee benefits expenses   | 13    | 294,392                    | 289,531                    |
| Finance costs  | 14    | -                          | -                          |
| Other expenses   | 15    | 276,800                    | 280,210                    |
| <b>Total</b>   |       | <b>571,192</b>             | <b>569,741</b>             |
| <b>Profit/(Loss) before exceptional items and tax</b>  |       | <b>(571,192)</b>           | <b>(431,963)</b>           |
| Exceptional items  | 16    | -                          | 41,493,473                 |
| <b>Profit/(Loss) before tax</b>  |       | <b>(571,192)</b>           | <b>(41,925,436)</b>        |
| <b>Profit / (Loss) before tax</b>  |       | <b>(571,192)</b>           | <b>(41,925,436)</b>        |
| Tax adjustment   |       | -                          | -                          |
| <b>Loss for the period/year</b>  |       | <b>(571,192)</b>           | <b>(41,925,436)</b>        |
| <b>Other Comprehensive Income</b>  |       |                            |                            |
| Items that will not be reclassified to profit or loss  |       | -                          | -                          |
| Items that will be reclassified to profit or loss  |       | -                          | -                          |
| Income Tax relating to items that will be reclassified to profit or loss   |       | -                          | -                          |
| <b>Total Comprehensive Income for the Period (Comprising (Loss) and Other Comprehensive Income for the Period)</b> |       | <b>(571,192)</b>           | <b>(41,925,436)</b>        |
| <b>Earnings per equity share [nominal value of share Rs. 10 (31 March 2019: Rs. 10)]</b>                           | 17    |                            |                            |
| 1) Basic   |       | (0.00)                     | (0.10)                     |
| 2) Diluted   |       | (0.00)                     | (0.10)                     |
| 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

*Deepak Mehta*  
**Deepak Mehta**  
Director  
DIN: 08179331

*Ravindra Kumar Sarawagi*  
**Ravindra Kumar Sarawagi**  
Director  
DIN: 07496783

*Mukesh Arand*  
**Mukesh Arand**  
Chief Executive Officer

*Surendra Kumar Verma*  
**Surendra Kumar Verma**  
Chief Financial Officer

*Barkha Sipani*  
**Barkha Sipani**  
Company Secretary

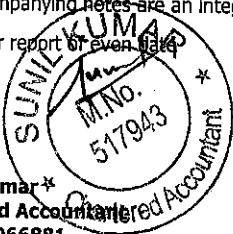
Place: Noida  
Date: 24.06.2020

| Particulars  | 31-Mar-20<br>Rs. | 31-Mar-19<br>Rs.    |
|--|------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                            |                  |                     |
| Loss before tax  | (571,192)        | (41,925,436)        |
| Non-cash adjustment to reconcile profit before tax to net cash flows : |                  |                     |
| Provision for diminution in value of Investment                        | -                | -                   |
| Provision for doubtful advances  | -                | -                   |
| Interest paid  | -                | -                   |
| Interest income  | -                | -                   |
| <b>Operating Loss before changes in assets and liabilities</b>         | <b>(571,192)</b> | <b>(41,925,436)</b> |
| <b>Changes in assets and liabilities :</b>                             |                  |                     |
| Increase/ (decrease) in other Financial liabilities                    | 611,156          | 567,021             |
| Increase/ (decrease) in other Current liabilities                      | 5,500            | 4,604               |
| Decrease / (increase) in short-term loans and advances                 | -                | -                   |
| Decrease / (Increase) in short-term Provisions                         | -                | -                   |
| Decrease / (Increase) in other current assets                          | -                | (128,431)           |
| Decrease / (increase) in current tax assets                            | (45,464)         | 43,947,941          |
| <b>Cash generated from / (used in) operations</b>                      | <b>-</b>         | <b>34,316</b>       |
| Direct taxes paid (net of refunds)                                     | -                | 2,500,015           |
| <b>Net cash flow from/ (used in) operating activities</b>              | <b>A</b>         | <b>2,500,015</b>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                            |                  |                     |
| Purchase of non-current investments                                    | -                | -                   |
| Interest received  | -                | -                   |
| <b>Net cash flow from/ (used in) investing activities</b>              | <b>B</b>         | <b>-</b>            |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                            |                  |                     |
| Proceeds from issuance of equity share capital                         | -                | -                   |
| Proceeds from Share Application Money                                  | -                | -                   |
| Proceeds from short-term borrowings                                    | -                | (2,500,000)         |
| Repayment of Short Term Borrowing                                      | -                | -                   |
| Interest paid  | -                | -                   |
| <b>Net cash flow from/ (used in) in financing activities</b>           | <b>C</b>         | <b>(2,500,000)</b>  |
| <b>Net increase/(decrease) in cash and cash equivalents</b>            | <b>(A+B+C)</b>   | <b>15</b>           |
| Cash and cash equivalents at the beginning of the period/year          | 17,790           | 17,775              |
| <b>Cash and cash equivalents at the end of the period/year</b>         | <b>17,790</b>    | <b>17,790</b>       |
| <b>Components of cash and cash equivalents</b>                         |                  |                     |
| Cash on hand   | -                | -                   |
| With banks- on current account   | 17,790           | 17,790              |
| <b>Total cash and cash equivalents (Note 3)</b>                        | <b>17,790</b>    | <b>17,790</b>       |

**Notes :**

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS – 7 "Statement of Cash Flows"
- Negative figures have been shown in brackets.  
 Summary of significant accounting policies  
 The accompanying notes are an integral part of the financial statements. 1.1

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*  
 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

Place: Noida

Date: 24.06.2020

Barkha Sipani

*Barkha*  
 Barkha  
 Company Secretary

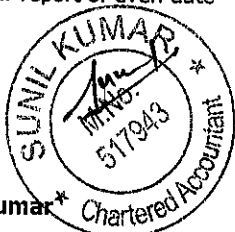
**Hindustan Retail Private Limited**  
**Regd. Address: 19A & 19B, S Global Knowledge Park, Sector 125, Noida – 201301**  
**CIN: U52100UP2007PTC033258**  
**Notes to financial statements as at Mar 31, 2020**  
**Statement of changes in Equity (SOCE)**

| Particulars  | Figures as at<br>31-03-2020<br>Rs. | Figures as at<br>31-03-2019<br>Rs. |
|--|------------------------------------|------------------------------------|
| <b>A. Equity Share Capital</b>   |                                    |                                    |
| <b>Equity Shares of INR Rs. 10 each issued, subscribed and fully paid up</b> |                                    |                                    |
| Number of shares   | 422,380,000                        | 422,380,000                        |
| Equity Share Capital   | 4,223,800,000                      | 4,223,800,000                      |
| <b>Total</b>   | <b>4,223,800,000</b>               | <b>4,223,800,000</b>               |
| <b>B. Other Equity</b>   |                                    |                                    |
| <b>Share Application Money Pending Allotment</b>                             |                                    |                                    |
| <b>Retained Earnings</b>   |                                    |                                    |
| Balance as per last financial statements                                     | (4,281,506,086)                    | (4,239,580,650)                    |
| Loss for the year/period   | (571,192)                          | (41,925,436)                       |
| <b>Net deficit in the statement of profit and loss</b>                       | <b>(4,282,077,278)</b>             | <b>(4,281,506,086)</b>             |
| <b>Total</b>   | <b>(4,282,077,278)</b>             | <b>(4,281,506,086)</b>             |

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

1.1

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

*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

Place: Noida  
Date: 24.06.2020

**Hindustan Retail Private Limited**  
**Regd. Address: 19A & 19B, S Global Knowledge Park, Sector 125, Noida – 201301**  
**CIN: U52100UP2007PTC033258**  
**Notes to financial statements as at Mar 31, 2020**

**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.

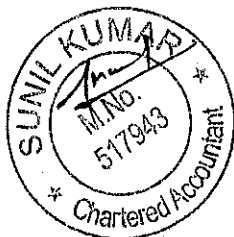
The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

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.

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

**C. Use of estimates**



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**Notes to financial statements as at Mar 31, 2020**

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 reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

**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**

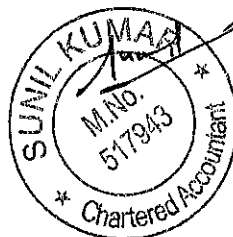
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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



**Hindustan Retail Private Limited**  
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**Notes to financial statements as at Mar 31, 2020**

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**

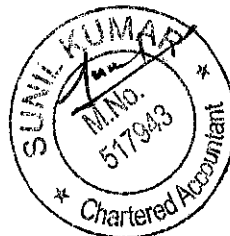
A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- 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.



**Hindustan Retail Private Limited**  
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**Notes to financials statements as at Mar 31, 2020**

**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.

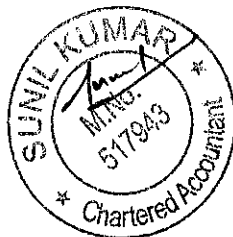
**b. Post Employee Benefits**

**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<br>31-03-2020<br>Rs.    | Figures as at<br>31-03-2019<br>Rs.    |
|--|---------------------------------------|---------------------------------------|
| <b>2. Non-Current Investments</b>  |                                       |                                       |
| <b>In Subsidiaries</b>   |                                       |                                       |
| <b>Unquoted - Fully Paid Up Equity Shares of Face value Rs. 10/- each</b><br>9,97,17,401 (9,97,17,401) New Spice Sales and Solutions Limited                                   | 2,981,709,657                         | 2,981,709,657                         |
| <b>In 0% Compulsory Convertible Debentures of Rs. 10/- each</b><br>9,13,50,000 (9,13,50,000) New Spice Sales and Solutions Limited<br>(Formerly known as Spice Retail Limited) | 913,500,000                           | 913,500,000                           |
|  | <b>3,895,209,657</b>                  | <b>3,895,209,657</b>                  |
| Less :- Provision for diminution in value of investment  | 3,895,209,657                         | 3,895,209,657                         |
|  |                                       |                                       |
| <b>Aggregate value of Unquoted Shares</b>  |                                       |                                       |
|  |                                       |                                       |
| <b>3. Cash and cash equivalents</b>  |                                       |                                       |
| Balances with banks:<br>On current accounts  | 17,790<br>17,790                      | 17,790<br>17,790                      |
| <b>4. Loans</b>  |                                       |                                       |
| Unsecured considered good:<br>Loans and advances to related parties (subsidiaries)<br>i) New Spice Sales and Solutions Limited(Formerly known as Spice Retail Limited)         | 41,447,941<br>41,447,941              | 41,447,941<br>41,447,941              |
| Other Loan<br>i) Hotspot Sales & Solution Pvt Ltd<br>ii) Spice Online Pvt. Ltd.(Formerly known as Spice Online Retail Pvt. Ltd.)   | 16,481,624<br>7,775,036<br>24,256,660 | 16,481,624<br>7,775,036<br>24,256,660 |
| Less:- Provision against doubtful advances   | 65,704,601<br>65,704,601              | 65,704,601<br>65,704,601              |
| <b>5. Other Financial Assets</b>   |                                       |                                       |
| Interest receivable  |                                       |                                       |
| Less:- Provision against doubtful advances   |                                       |                                       |
| <b>6. Current Tax Assets</b>   |                                       |                                       |
| TDS Recoverable<br>GST Recoverable   | 2,767,007<br>45,644                   | 2,767,007<br>180                      |
|  | <b>2,812,651</b>                      | <b>2,767,187</b>                      |
| <b>7. Equity Share Capital</b>   |                                       |                                       |
| <b>Authorized shares</b><br>425,000,000 (Previous period 425,000,000) Equity Shares of Rs. 10 each   | 4,250,000,000                         | 4,250,000,000                         |
| <b>Issued, subscribed and fully paid-up shares</b><br>422,380,000 (Previous period 422,380,000) Equity Shares of Rs. 10 each   | 4,223,800,000                         | 4,223,800,000                         |
| <b>Total issued, subscribed and fully paid-up share capital</b>  | <b>4,223,800,000</b>                  | <b>4,223,800,000</b>                  |

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

| Particulars                               | No. of<br>shares   | Amount<br>Rs.        | No. of<br>shares   | Amount<br>Rs.        |
|---|--------------------|----------------------|--------------------|----------------------|
| At the beginning of the year/period       | 422,380,000        | 4,223,800,000        | 422,380,000        | 4,223,800,000        |
| Issued during the year/period             |                    |                      |                    |                      |
| Outstanding at the end of the year/period | <b>422,380,000</b> | <b>4,223,800,000</b> | <b>422,380,000</b> | <b>4,223,800,000</b> |

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

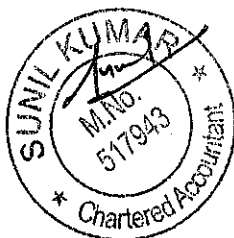
The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

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

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

|  |               |               |
|--|---------------|---------------|
| Digispice Technologies Limited (Formerly Spice Mobility Ltd.), the holding company |               |               |
| 422,380,000 (Previous period 422,380,000) Equity Shares of Rs. 10 each             | 4,223,800,000 | 4,223,800,000 |

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



| Particulars | Figures as at<br>31-03-2020<br>Rs. | Figures as at<br>31-03-2019<br>Rs. |
|-------------|------------------------------------|------------------------------------|
|-------------|------------------------------------|------------------------------------|

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

NIL NIL

(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 |
|--|---------------|------------------------|---------------|------------------------|
| <b>Equity shares of Rs.10 each fully paid</b>                                      |               |                        |               |                        |
| Digispice Technologies Limited (Formerly 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) Loans and advances from related parties

|                   |                   |
|-------------------|-------------------|
| 56,775,664        | 56,775,664        |
| <b>56,775,664</b> | <b>56,775,664</b> |

**9. Other Financial liabilities**

|                        |                  |                  |
|------------------------|------------------|------------------|
| Audit fees payable     | 70,000           | 108,500          |
| Salary Payable         | 30,600           | 34,854           |
| Other expenses payable | 4,217,555        | 3,563,291        |
|                        | <b>4,317,555</b> | <b>3,706,645</b> |

**10. Other current liabilities**

|             |               |              |
|-------------|---------------|--------------|
| TDS payable | 14,500        | 9,000        |
|             | <b>14,500</b> | <b>9,000</b> |

**11. Short term provisions**

Provision for leave benefits  
 Provision for gratuity

|   |   |
|---|---|
| - | - |
| - | - |

Due from directors or officers of the company

NIL NIL

**Contingent liabilities & commitments**

**(1) Contingent Liabilities**

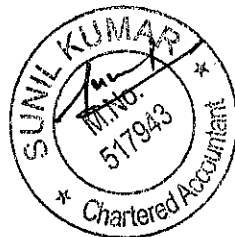
a) Claims against the company not acknowledged as debts  
 b) Guarantees  
 c) other money for which company is contingently liable

NIL NIL  
 NIL NIL  
 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  
 c) Other commitments

NIL NIL  
 NIL NIL  
 NIL NIL

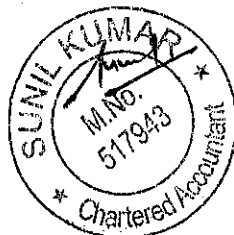


| Particulars                              | Figures for the          | Figures for the          |
|--|--------------------------|--------------------------|
|  | year ended<br>31-03-2020 | year ended<br>31-03-2019 |
|  | Rs.                      | Rs.                      |
| <b>12. Other Income</b>                  |                          |                          |
| Provisions Written Back                  | -                        | 137,778                  |
|  | <u>-</u>                 | <u>137,778</u>           |
| <b>13. Employee benefits expense</b>     |                          |                          |
| Salaries, wages and bonus                | 294,392                  | 289,531                  |
|  | <u>294,392</u>           | <u>289,531</u>           |
| <b>14. Finance cost</b>                  |                          |                          |
| Interest on loan                         | -                        | -                        |
|  | <u>-</u>                 | <u>-</u>                 |
| <b>15. Other expenses</b>                |                          |                          |
| Rates and taxes                          | 1,000                    | 4,850                    |
| Payment to auditor (Refer details below) | 81,500                   | 20,000                   |
| Legal and professional fees              | 88,400                   | 150,360                  |
| Directors' sitting fees                  | 105,000                  | 105,000                  |
| Other Expenses                           | 900                      | -                        |
|  | <u>276,800</u>           | <u>280,210</u>           |
| <b>Payment to auditors :</b>             |                          |                          |
| Audit fee                                | 81,500                   | 20,000                   |
|  | <u>81,500</u>            | <u>20,000</u>            |
| <b>16. Exceptional Item</b>              |                          |                          |
| Provision against doubtful advances      | -                        | 41,493,473               |
|  | <u>-</u>                 | <u>41,493,473</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  | (571,192)     | (41,925,436)  |
| Weighted average number of equity shares in calculating basic EPS   | 422,380,000   | 422,380,000   |
| <b>Basic earning per share</b>                                      | <u>(0.00)</u> | <u>(0.10)</u> |
| Weighted average number of equity shares in calculating diluted EPS | 422,380,000   | 422,380,000   |
| <b>Diluted earning per share</b>                                    | <u>(0.00)</u> | <u>(0.10)</u> |



**Additional Notes:**

**18. Fair value hierarchy**

**(1) Financial Instruments by Category**

| Financial Assets                   | 31-Mar-20 |                   | 31-Mar-19 |                   |
|------------------------------------|-----------|-------------------|-----------|-------------------|
|                                    | FVTPL     | Amortised Cost    | FVTPL     | Amortised Cost    |
| Cash and cash equivalent           | -         | 17,790            | -         | 17,790            |
| Loans & advances                   | -         | -                 | -         | -                 |
| Other Financial Assets             | -         | -                 | -         | -                 |
| <b>Total financial assets</b>      | -         | <b>17,790</b>     | -         | <b>17,790</b>     |
| Short-term borrowings              | -         | 56,775,664        | -         | 56,775,664        |
| Other Financial Liabilities        | -         | 4,317,555         | -         | 3,706,395         |
| <b>Total Financial Liabilities</b> | -         | <b>61,093,219</b> | -         | <b>60,482,059</b> |

**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.

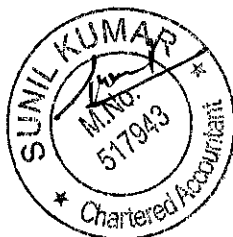
The sensitivity analyses in the following sections relate to the position as at 31 March 2020 and 31 March 2019.

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 2020 and 31 March 2019.



**-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-20 |                                     |                             |
| INR       | 50                                  | (283,878)                   |
| INR       | -50                                 | 283,878                     |
| 31-Mar-19 |                                     |                             |
| INR       | 50                                  | (283,878)                   |
| INR       | -50                                 | 283,878                     |

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

**-Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's 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.

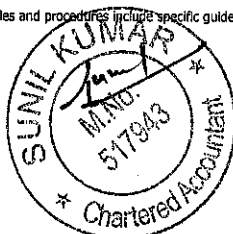
The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

|                                      | On Demand         | Less than 3 Months | 3-12 Months | 1-5 Years | > 5 years | Total             |
|--------------------------------------|-------------------|--------------------|-------------|-----------|-----------|-------------------|
| Year ended                           |                   |                    |             |           |           |                   |
| <b>31-Mar-20</b>                     |                   |                    |             |           |           |                   |
| Borrowings (Current)                 | 56,775,664        | -                  | -           | -         | -         | 56,775,664        |
| Other financial liabilities(current) | -                 | 4,317,555          | -           | -         | -         | 4,317,555         |
| Trade and other payables             | -                 | -                  | -           | -         | -         | -                 |
| <b>Total</b>                         | <b>56,775,664</b> | <b>4,317,555</b>   | -           | -         | -         | <b>61,093,219</b> |
| Year ended                           |                   |                    |             |           |           |                   |
| <b>31-Mar-19</b>                     |                   |                    |             |           |           |                   |
| Borrowings (Current)                 | 56,775,664        | -                  | -           | -         | -         | 56,775,664        |
| Other financial liabilities(current) | -                 | 3,706,395          | -           | -         | -         | 3,706,395         |
| Trade and other payables             | -                 | -                  | -           | -         | -         | -                 |
| <b>Total</b>                         | <b>56,775,664</b> | <b>3,706,395</b>   | -           | -         | -         | <b>60,482,059</b> |

**-Excessive risk concentration**

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

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



**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<br>31 Mar 2020 | As at<br>31 Mar 2019 |
|---------------------------------|----------------------|----------------------|
| Borrowings                      | 56,775,664           | 56,775,664           |
| Trade payables/Other payables   | 4,332,055            | 3,715,395            |
| Less: cash and cash equivalents | 17,790               | 17,790               |
| Net debt                        | 61,089,929           | 60,473,269           |
| Equity                          |                      |                      |
| Reserve                         | 4,223,800,000        | 4,223,800,000        |
| Total capital                   | (4,282,077,278)      | (4,281,506,086)      |
| Capital and net debt            | (58,277,278)         | (57,706,086)         |
| Gearing ratio                   | 2,812,651            | 2,767,183            |
|                                 | 2172%                | 2185%                |

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 2020 and 31 March 2019.

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

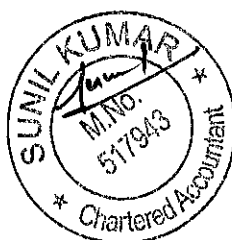
As required under section 186(4) of the companies Act, 2013, particulars of loans and advances and investments are disclose below. Details of loans and advances given and outstanding:

| Name of the Party   | Rate of Interest | Secured/<br>unsecured | Opening Balance | Loan given/(repay)<br>during the period | Outstanding at end of<br>the year |
|---|------------------|-----------------------|-----------------|---|-----------------------------------|
| New Spice Sales and Solutions Limited<br>(Formerly known as Spice Retail Limited)       | 11% & 10.5%      | Unsecured             | 41,447,941      | -                                       | 41,447,941                        |
| Hotspot Sales & Solutions Private Limited   | 8.00%            | Unsecured             | 16,481,624      | -                                       | 16,481,624                        |
| Spice Online Private Limited (Formerly known<br>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<br>during the period<br>(Rs.) | No. of Shares/CCDs | Outstanding at end of<br>the year |
|---|---|-----------------|--|--------------------|-----------------------------------|
| New Spice Sales and Solutions Limited<br>(Formerly known as Spice Retail Limited) | Equity Shares                             | 2,981,709,657   |  | 99,717,401         | 2,981,709,657                     |
| New Spice Sales and Solutions Limited<br>(Formerly known as Spice Retail Limited) | Compulsory Convertible<br>Debentures(CCD) | 913,500,000     |  | 91,350,000         | 913,500,000                       |



Hindustan Retail Private Limited  
 Regd. Address: 19A & 19B, S Global Knowledge Park, Sector 125, Noida – 201301  
 CIN: U52100UP2007PTC033258  
 Notes to financial statements as at March 31, 2020

|                                       | 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. (Holding company of Spice Connect Pvt. Ltd.)

ii) Holding Company

DIGISPICE Technologies Ltd. (formerly known as Spice Mobility Limited) ( DTL)  
 Spice Connect Private Limited (Holding company of DTL)

iii) Subsidiary Company

New Spice Sales and Solutions Limited  
 Cellucum Retail India Pvt Ltd.

iv) List of Key Managerial Personnel

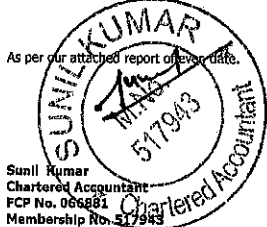
Deepak Mehta – Non executive Director (Appointed w.e.f. 27/06/2019)  
 Ravindra Sarawagi – Non executive Director (Appointed w.e.f. 27/06/2019)  
 Seema Salwan – Independent Director  
 Meghraj Bothra, Director (Resigned w.e.f. 28/06/2019)  
 Madhusudan Venkatachary, Director (Resigned w.e.f. 07/06/2019)  
 Kokila, Director (W.e.f 27/06/2019 to 16/08/2019)  
 Mukesh Anand - Chief Executive Officer (w.e.f. 12.02.2018)  
 Surendra Kumar Verma – Chief Financial Officer (w.e.f. 12.02.2018)  
 Barkha Sipani – Company Secretary (w.e.f. 15.04.2019)

Related party transactions attached as Annexure-1

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

| Particulars   | 31/03/2020 | 31/03/2019 |
|---|------------|------------|
| 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.



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*  
 Deepak Mehta  
 Director  
 DIN: 08179331

*Mukesh Anand*  
 Mukesh Anand  
 Chief Executive Officer

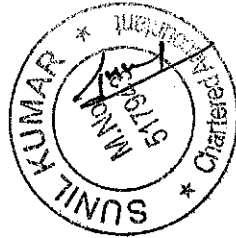
*Barkha Sipani*  
 Barkha Sipani  
 Company Secretary

*Ravindra Kumar Sarawagi*  
 Ravindra Kumar Sarawagi  
 Director  
 DIN: 07496783

*Surendra Kumar Verma*  
 Surendra Kumar Verma  
 Chief Financial Officer

Place: Noida  
 Date: 24.06.2020

| Particulars  | Key Managerial person |           | Holding Company |           | Subsidiaries  |               | Fellow Subsidiaries |           | Total       |               |
|--|-----------------------|-----------|-----------------|-----------|---------------|---------------|---------------------|-----------|-------------|---------------|
|  | 31-Mar-20             | 31-Mar-19 | 31-Mar-20       | 31-Mar-19 | 31-Mar-20     | 31-Mar-19     | 31-Mar-20           | 31-Mar-19 | 31-Mar-20   | 31-Mar-19     |
|  | (A) Transactions      |           |                 |           |               |               |                     |           |             |               |
| New Spice Sales and Solutions Limited (Formerly known as Spice Retail Limited) |                       |           |                 |           |               | 2,500,000     |                     |           |             | 2,500,000     |
| New Spice Sales and Solutions Limited (Spice Retail)                           |                       |           |                 |           |               |               |                     |           |             |               |
| New Spice Sales and Solutions Limited (Formerly known as Spice Retail Limited) |                       |           |                 |           |               |               |                     |           |             |               |
| New Spice Sales and Solutions Limited  |                       |           |                 | 2,900,000 |               |               |                     |           |             |               |
| New Spice Sales and Solutions Limited  |                       |           |                 |           |               |               |                     |           |             |               |
| New Spice Sales and Solutions Limited  |                       |           |                 |           |               |               |                     |           |             |               |
| New Spice Sales and Solutions Limited  |                       |           |                 |           |               |               |                     |           |             |               |
| New Spice Sales and Solutions Limited  |                       |           |                 |           |               | 17,250        |                     |           |             | 17,250        |
| New Spice Sales and Solutions Limited  |                       |           |                 |           | 2,981,709,657 | 2,981,709,657 |                     |           | #####       | 2,981,709,657 |
| New Spice Sales and Solutions Limited  |                       |           |                 |           | 913,500,000   | 913,500,000   |                     |           | 913,500,000 | 913,500,000   |
| New Spice Sales and Solutions Limited  |                       |           |                 |           | 41,447,941    | 41,447,941    |                     |           | 41,447,941  | 41,447,941    |
| New Spice Sales and Solutions Limited (Formerly known as Spice Retail Limited) |                       |           |                 |           |               |               |                     |           |             |               |
| New Spice Sales and Solutions Limited  |                       |           |                 |           | 2,958,494     | 2,941,244     |                     |           | 2,958,494   | 2,941,244     |





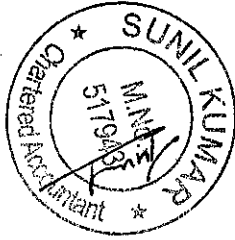
Hindustan Retail Private Ltd.  
 CIN: US2100UP2007PTC033258  
 Regd. Address: 19A & 19B, S Global Knowledge Park, Sector 125, Noida – 201301

**Form AOC-1**  
 Statement containing salient features of the financial statement of subsidiaries/ associate companies  
 (Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

| Sl.No. | Name of Subsidiary Company            | Date since when subsidiary was acquired | Reporting period for the subsidiary | Reporting Currency | Exchange Rate(₹s) | Share Capital | Reserves & Surplus | Total Assets | Total Liabilities | Details Of Investments (Except Investment in case of Subsidiary Company) | Turnover/Total Income | Profit/(Loss) Before Taxation | Provision For Taxation | Profit/(Loss) After Taxation | Proposed Dividend | Amount in ₹s. | % of shareholding |
|--------|---------------------------------------|---|-------------------------------------|--------------------|-------------------|---------------|--------------------|--------------|-------------------|--|-----------------------|-------------------------------|------------------------|------------------------------|-------------------|---------------|-------------------|
| 1      | New Spice Sales and Solutions Limited | 9-May-2007                              | 1st April, 19 to 31st March, 20     | INR                | -                 | 99,71,74,010  | (223,13,34,895)    | 5,11,50,611  | 5,11,50,611       | -  | -                     | (7,07,67,707)                 | -                      | (7,07,67,707)                | -                 | 100.00%       | 100.00%           |
| 2      | Callucom Retail India Private Limited | 6-Feb-2009                              | 1st April, 19 to 31st March, 20     | INR                | -                 | 50,00,00,000  | (50,34,38,603)     | 16,03,601    | 16,03,601         | -  | -                     | (13,27,469)                   | -                      | (13,27,469)                  | -                 | 100.00%       | 100.00%           |

Notes:  
 1 Name of subsidiaries which are yet to commence operations - Not Applicable  
 2 Name of subsidiaries which have been liquidated or sold during the year - Not Applicable

Part "B": Associates and Joint Ventures- Not Applicable



For and on behalf of the Board of Directors of Hindustan Retail Private Ltd.

*Deepak Mehta*  
 Director  
 DIN: 08179331

*Ravindra Kumar Sarawagi*  
 Director  
 DIN: 07496733

*Mahesh Arvind Chitambar*  
 Chief Executive Officer  
 Bartha Sipani  
 Company Secretary

*Ravindra Kumar Verma*  
 Chief Financial Officer

Place: Noida  
 Date: 24.06.2020