

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Spencer's Retail Limited

**Report on the Financial Statements**

We have audited the accompanying standalone financial statements of Spencer's Retail Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

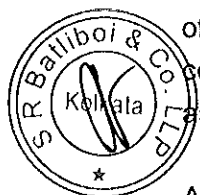
**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's



judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

### **Basis for qualified opinion**

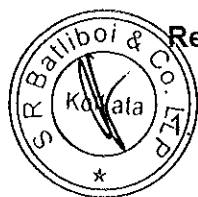
Attention is drawn to note no. 13 to the financial statements regarding continuation of net deferred tax asset (DTA) of Rs 31,053.45 lakhs (Rs. 31,053.45 lakhs) in the accounts based on the future profitability projections made by the management. However, in the absence of virtual certainty as stated in Accounting Standard 22 on Deferred Taxes, we are unable to express any opinion on the projections and their consequent impact if any, on such Deferred Tax Asset.

Had the above asset been reversed, there would be a loss of Rs 46,215.77 Lakhs as against the reported loss of Rs. 15,162.32 lakhs and shareholder's funds would have reduced by Rs 31,053.45 lakhs. This had also caused us to qualify our audit opinion on the financial statements relating to the preceding year.

### **Qualified opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, of its loss and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**



As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
  - (f) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013;
  - (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 8 and note 27 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



# **S.R. BATLIBOI & Co. LLP**

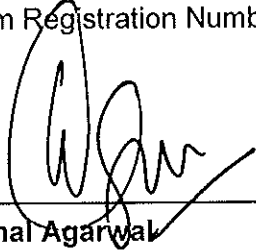
Chartered Accountants

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E



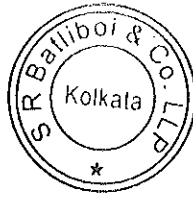
per **Kamal Agarwal**

Partner

Membership Number: 58652

Place of Signature: Kolkata

Date: 19<sup>th</sup> May 2015



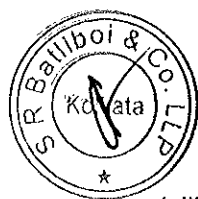
**ANNEXURE 1 TO THE AUDITOR'S REPORT  
THE MEMBERS OF SPENCER'S RETAIL LIMITED  
[REFERRED TO IN OUR REPORT OF EVEN DATE]**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets were physically verified by the management during the year in accordance with a planned programme of verifying all of them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the requirement for maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for the products of the Company is not applicable during the year.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.



- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs in lakhs)	Period to which the amount relates	Forum where dispute is pending
Various States VAT / CST / Entry Tax Act	Sales tax demand on stock Transfer	53.14	2003-04, 2008-09, 2009-10 and 2010-11	Various appellate authorities
	Dispute related to VAT credit / non submission of forms and other documents	266.60	2000-01, 2001-02, 2003-04, 2004-05, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13	Appellate Deputy Commissioner/ Additional Commissioner/ Appellate Tribunal
Finance Act 1994	Service Tax demand on concessionaire income	113.20	2007-08 & 2008-09	Commissioner, Appeals
	Service tax demand on availment of cenvat credit	1020.95	2006-07 to 2010-11	CESTAT



- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

- (viii) The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has also incurred cash loss in the current as well as the immediately preceding financial year.

# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or bank. The Company did not have any outstanding debentures during the year.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E

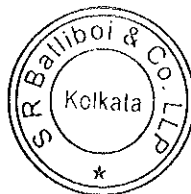
  
per **Kamal Agarwal**

Partner

Membership Number: 58652

Place of Signature: Kolkata

Date: 19<sup>th</sup> May 2015



SPENCER'S RETAIL LIMITED  
Balance sheet as at 31st March 2015

	Notes	31st March 2015 ₹ Lakhs	31st March 2014 ₹ Lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
(a) Share capital	3	24,279.85	17,342.75
(b) Reserves and surplus	4	(1,36,156.67)	(1,24,070.51)
		(1,11,876.82)	(1,06,727.76)
Share application money pending allotment	5	1,17,828.63	1,13,374.27
<b>Non-current liabilities</b>			
(a) Long-term borrowings	6	23,300.00	23,600.00
(b) Other Long-term liabilities	7	-	17.50
(c) Long-term provisions	8	475.79	498.93
		23,775.79	24,116.43
<b>Current liabilities</b>			
(a) Short-term borrowings	9	22,500.00	22,500.00
(b) Trade payables	10.1	19,354.52	18,248.23
(c) Other current liabilities	10.2	13,030.97	8,020.97
(d) Short-term provisions	8	1,403.72	1,362.51
		56,289.21	50,131.71
<b>TOTAL</b>		<b>86,016.81</b>	<b>80,894.65</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>(a) Fixed assets</b>			
Tangible assets	11.1	16,627.06	18,610.53
Intangible assets	11.2	784.76	905.46
Capital work-in-progress		1,386.05	58.68
(b) Non-current investments	12	7,201.00	3,201.00
(c) Deferred tax assets (net)	13	31,053.45	31,053.45
(d) Long-term loans and advances	14	5,567.10	7,084.94
(e) Other non-current assets	17.2	2,620.53	2,543.58
		65,239.95	63,457.64
<b>Current assets</b>			
(a) Inventories	15	17,120.76	14,059.40
(b) Trade receivables	17.1	2,123.39	2,092.78
(c) Cash and Bank balances	16	392.42	610.00
(d) Short-term loans and advances	14	1,083.92	647.78
(e) Other current assets	17.2	56.37	27.05
		20,776.86	17,437.01
<b>TOTAL</b>		<b>86,016.81</b>	<b>80,894.65</b>

Summary of Significant Accounting Policies 2.1

The accompanying notes referred to above form an integral part of the Financial Statements

As per our report of even date attached

For S.R.Battiboi & Co. LLP  
Firm Registration No: 301003E  
Chartered Accountants

per Kamal Agarwal  
Partner  
Membership No 58652



For and on behalf of the Board of Directors

Mohit Kampani

Director

Director

Induvashe  
Chief Financial Officer

Arvind Chakrabarti  
Company Secretary

Place : Kolkata

Date : 19 May, 2015



SPENCER'S RETAIL LIMITED

Statement of Profit and Loss for the year ended 31st March 2015

	Notes	<u>2014-15</u> ₹ Lakhs	<u>2013-14</u> ₹ Lakhs
<b>Income:</b>			
Revenue from operations	18	1,66,570.39	1,45,128.18
Other income	19	621.63	673.39
<b>Total Revenue (I)</b>		<u>1,67,192.02</u>	<u>1,45,801.57</u>
<b>Expenses:</b>			
Purchase of traded goods	20	1,37,128.66	1,19,788.19
Increase in inventories of traded goods	20	(3,185.80)	(3,350.62)
Raw Materials Consumed	21	657.16	482.52
Employee benefit expenses	22	13,104.90	11,396.66
Other expenses	23	26,192.66	24,495.44
<b>Total (II)</b>		<u>1,73,897.58</u>	<u>1,52,812.19</u>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA) (I-II)</b>		<u>(6,705.56)</u>	<u>(7,010.62)</u>
Depreciation and Amortisation	24	3,691.83	3,193.26
Finance costs	25	4,764.93	4,337.38
<b>Loss before exceptional items and tax</b>		<u>(15,162.32)</u>	<u>(14,541.26)</u>
Exceptional items	38	-	2,039.15
<b>Loss for the year</b>		<u>(15,162.32)</u>	<u>(16,580.41)</u>
<b>Earnings per share- Basic and Diluted (Nominal value ₹10 per share)</b>	26	(8.70)	(15.91)

Summary of Significant Accounting Policies 2.1

The accompanying notes referred to above form an integral part of the Financial Statements

As per our report of even date attached

For S.R.Batliboi & Co. LLP  
Firm Registration No: 301003E  
Chartered Accountants

per Kamal Agarwal  
Partner  
Membership No 38652



For and on behalf of the Board of Directors

Mohit Karan

Director

Sudhakar  
Chief Financial Officer

Director

Arjun Choudhary  
Company Secretary

Place : Kolkata

Date : 19 May, 2015

SPENCER'S RETAIL LIMITED  
Cash Flow Statement for the year ended 31st March 2015

Notes	<u>2014-15</u> ₹ Lakhs	<u>2013-14</u> ₹ Lakhs
<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Loss before exceptional items and tax	(15,162.32)	(14,541.26)
Non Cash adjustment to reconcile loss before tax to net cash flows :		
Depreciation and Amortisation	3,691.83	3,193.26
Rental deposits written off/provision	38.58	0.54
Interest expense	3,553.18	3,284.33
Profit on sale of Investments	(26.55)	(148.01)
Interest Income	(242.25)	(247.91)
Loss on sale of Assets (net)	663.72	312.03
Provision for Bad and Doubtful Debts	-	6.70
Provision for Obsolete stocks	87.41	(75.39)
Provisions no longer required written back	(314.66)	(263.67)
<b>Operating Loss before working capital changes</b>	<b>(7,711.06)</b>	<b>(8,479.38)</b>
<b><u>Movement in working capital:</u></b>		
Increase in Liabilities & Provisions	3,877.72	6,391.77
Increase/(Decrease) in Trade receivables	(30.61)	22.51
Increase in Inventories	(3,148.77)	(3,338.97)
Increase in Loans & Advances and Other Assets	(639.70)	(365.06)
	<u>58.64</u>	<u>2,710.25</u>
<b>Net cash flow used in operating activities (A)</b>	<b>(7,652.42)</b>	<b>(5,769.13)</b>
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Purchase of Fixed assets, including intangible assets, capital work in progress and capital advances	(3,340.37)	(4,618.62)
Proceeds from Sale of fixed assets	148.08	309.88
Investments in Subsidiary Company	-	(400.00)
Share Application money to Subsidiary Company pending allotment	(2,523.15)	(1,302.00)
Interest free loan to Subsidiary	-	(84.65)
Proceeds from sale of current investments	12,992.55	23,848.01
Purchase of current investments	(12,966.00)	(23,700.00)
Investments in bank deposits (having original maturity of more than three months)	(2,646.31)	(2,230.49)
Redemption/maturity of bank deposits (having original maturity of more than three months)	2,666.74	2,484.30
Interest received	250.00	238.16
<b>Net cash used in Investing activities (B)</b>	<b>(5,418.46)</b>	<b>(5,455.41)</b>
<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
Proceeds from Share Application Money pending allotment	14,860.01	9,600.00
Proceeds from long-term borrowings	5,000.00	4,500.00
Repayment of long-term borrowings	(3,400.00)	(1,125.00)
Proceeds from short-term borrowings (net)	-	1,543.72
Interest paid	(3,506.71)	(3,367.28)
<b>Net Cash Flow from financing activities (C)</b>	<b>12,953.30</b>	<b>11,151.44</b>
<b>Net Decrease in Cash and Cash equivalents (A+B+C)</b>	<b>(117.58)</b>	<b>(73.10)</b>
Cash and cash equivalents at the beginning of the year	510.00	583.10
<b>Cash and cash equivalents at the end of the year</b>	<b>392.42</b>	<b>510.00</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	300.88	433.71
With banks-on current account	91.54	76.29
<b>Total cash and cash equivalents (Note 16)</b>	<b>392.42</b>	<b>510.00</b>

Summary of Significant Accounting Policies

2.1

The accompanying notes referred to above form an integral part of the Financial Statements

As per our report of even date attached

For S.R.Baliboi & Co. LLP  
Firm Registration No: 301003E  
Chartered Accountants

per Kamal Agarwal  
Partner  
Membership No 58652



For and on behalf of the Board of Directors

Mohit Kumar  
Director

Anubhav  
Chief Financial Officer

Ankur  
Director

Ankur Choudhary  
Company Secretary

Place : Kolkata  
Date : 19 May, 2015



## 1 CORPORATE INFORMATION

Spencer's Retail Limited ( the Company) is a Public Limited Company domiciled in India. The Company is engaged in the retailing of goods and caters to the domestic market only.

## 2 BASIS OF PREPARATION

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). 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, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

### 2.1 SIGNIFICANT ACCOUNTING POLICIES

#### a) Change in accounting policy

##### Depreciation on fixed assets

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

##### (i) Useful lives/ depreciation rates

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II.

Had the company continued its earlier policy of charging depreciation based on earlier useful lives / lives determined by Schedule XIV of the Companies Act, 1956 rates as the case may be, losses for the current year would have been lower by ₹762.06 lacs.

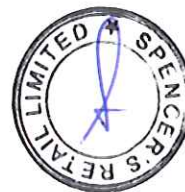
##### (ii) Depreciation on assets costing less than ₹5,000/-

Till the year ended 31 March 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the company was charging 100% depreciation on assets costing less than ₹ 5,000/- in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the company has changed its accounting policy for depreciations of assets costing less than ₹ 5,000/-. As per the revised policy, the company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1 April 2014.

The change in accounting for depreciation of assets costing less than ₹5,000/- did not have any material impact on financial statements of the company for the current year.

#### b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.



**c) Tangible Fixed Assets**

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

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

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**d) Depreciation on tangible fixed assets**

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The company has used the following rates to provide depreciation on its fixed assets.

Class of Assets	Useful lives estimated by the management (years)
Computers	3 to 6 years
Furniture & Fixtures	3 to 10 years
Vehicles	8
Office equipments	5
Plant & Machinery	15

The management has estimated, based on the Company's internal evaluation, the useful lives of the following classes of assets: The useful lives of certain furniture & fixtures is estimated between 3 to 5 years. These lives are lower than those indicated in schedule II.

**e) Intangibles**

Acquired Computer softwares and knowhow & licenses are capitalised on the basis of the costs incurred to acquire and bring the specific asset to its intended use and are amortised on a straight line basis over their estimated useful lives as follows:

Computer Softwares	6 years
Knowhow & Licences	10 years

**f) Impairment**

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

**g) Leases**

**Operating Lease**

Leases where the lessor effectively retains substantially all the risk and benefits incidental to ownership of the leased asset are classified as operating leases. Operating lease payment is recognized as an expense in the Statement of Profit and Loss representing the time pattern of benefit to the Company as per specific lease terms.

**Finance Lease**

Finance leases, which effectively transfer to the Company substantially all the risk and benefits incidental to the ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the leased liability based on the implicit rate of return. Finance Charges are charged directly against income. Lease management fees, legal charges and other initial direct

In case there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.





**h) Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost but adequate provision for diminution in value is made to recognize a decline other than temporary, in the value thereof.

**i) Inventories**

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

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

Obsolete/Damaged stock is valued at lower of cost less provision and net realisable value. Such provision is ascertained based on pre-determined criterion adopted by the Company consistently over the years.

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

**j) Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**Sale of Goods**

Revenue is recognized when significant risk and rewards of ownership of the goods get passed on to the buyers.

The property of goods of third party concessionaire stores located within the main departmental store of the Company passes to the Company once a customer decides to purchase an item from the concessionaire store. The Company in turn sells the item to the customer and is accordingly included under retail sales.

The Property in goods received on " Sales or Return " basis passes to the Company once a customer decides to purchase such goods. The Company in turn sells the item to the customer and is accordingly included under retail sales.

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

**Income from Recoveries and Services**

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

**Interest**

Revenue is recognized on a time proportionate basis taking into account the amount outstanding and rate applicable.



**k) Foreign Currency Transactions**

**Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and foreign currency at the date of the transaction.

**Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary Items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

**Exchange Difference**

Exchange differences arising on settlement of monetary items or on reporting of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognized as income or expenses in the year in which they arise except those arising from investments in non-integral operations.

**l) Retirement and other Employee benefits**

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

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

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

iii) Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.

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

**m) Income Taxes**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act 1961 enacted in India.

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on tax rates and tax laws enacted or substantively enacted at the Balance sheet date. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. In situations where the Company has unabsorbed depreciation or carried forward losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profit.

At each balance sheet date, the Company re-assesses unrecognized deferred tax assets (DTA) and recognizes unrecognized DTA to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such DTA can be realized.

The carrying amounts of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.





**n) Earnings per Share**

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

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

**o) Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reasonable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**p) Employee Stock Compensation cost**

Measurement and disclosure of the employee share based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share Based payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the fair value method. Compensation expenses are amortized over the vesting period of the option on a straight line method.

**q) Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition of a qualifying asset are capitalized as a part of the cost of asset.

All other borrowing costs are recognized as expenditure during the year in which these are incurred.

Ancillary costs incurred in connection with the arrangement of borrowings are amortized over the period of borrowing for which they are incurred.

**r) Cash and Cash Equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.

**s) Contingent liabilities**

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

**t) Measurement of EBITDA**

As permitted by Schedule III to the Companies Act, 2013 read with the Guidance Note on the revised schedule VI to the Companies Act 1956, the Company has elected to present Earnings before Interest, Tax, Depreciation and Amortisation ( EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operation. In its measurement, the Company does not include depreciation and amortisation expense, finance costs and tax expense.



**3 SHARE CAPITAL**

	31st March 2015		31st March 2014	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
<b>Authorised</b>				
Equity shares of ₹10 each	3000,00,000	30,000.00	3000,00,000	30,000.00
	<b>3000,00,000</b>	<b>30,000.00</b>	<b>3000,00,000</b>	<b>30,000.00</b>
<b>Issued, subscribed and fully paid up Equity shares of ₹10 each</b>				
	2427,98,388	24,279.85	1734,27,420	17,342.75
<b>a) Reconciliation of Equity Shares outstanding at the beginning and end of the year</b>	<b>No. of Shares</b>	<b>₹ in Lakhs</b>	<b>No. of Shares</b>	<b>₹ in Lakhs</b>
At the beginning of the year	1734,27,420	17,342.75	1040,56,452	10,405.65
Issued during the year (refer Note 5)	693,70,968	6,937.10	693,70,968	6,937.10
Outstanding at the end of the year	<b>2427,98,388</b>	<b>24,279.85</b>	<b>1734,27,420</b>	<b>17,342.75</b>

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

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

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

**c) Shares held by each shareholder in excess of 5% of the shareholding in the Company -**

Name of the party	No. of Shares	%	No. of Shares	%
CESC Limited	2427,98,388	100.00%	1734,27,420	100.00%

As per records of the Company, including its register of shareholders/members and other declaration received from shareholders, the above shareholding represents legal ownership of shares.

**d) Shares held by holding company**

Out of the equity shares issued by the Company as on 31st March 2015, all shares are held or jointly held by the Holding Company, CESC Limited.

**e) Shares reserved for issue under options**

For details of shares reserved for issue under employee stock option (ESOP) plan of the Company, please refer Note 30.





**4 RESERVES & SURPLUS**

	31st March 2015	31st March 2014
	₹ Lakhs	₹ Lakhs
<b>Securities Premium Account</b>		
Balances as per last financial statements	16,614.54	13,145.99
Addition during the year (refer Note 5)	3,468.55	3,468.55
<b>Closing Balance</b>	<b>20,083.09</b>	<b>16,614.54</b>
<b>General Reserve</b>		
Balances as per last financial statements	47.82	7.30
Addition during the year	3.39	40.52
<b>Closing Balance</b>	<b>51.21</b>	<b>47.82</b>
<b>Share Options Outstanding Account ( refer Note 30)</b>		
Balances as per last financial statements	51.16	91.68
Reversal during the year, transferred to General Reserve	3.39	40.52
<b>Closing Balance</b>	<b>47.77</b>	<b>51.16</b>
<b>Deficit in the statement of profit and loss</b>		
Balance as per last financial statements	(1,40,784.03)	(1,24,203.62)
Adjustment for Depreciation (refer Note 11.1)	(392.39)	-
Loss for the year	(15,162.32)	(16,580.41)
<b>Closing Balance</b>	<b>(1,56,338.74)</b>	<b>(1,40,784.03)</b>
<b>Total Reserves &amp; Surplus</b>	<b>(1,36,156.67)</b>	<b>(1,24,070.51)</b>

**5 SHARE APPLICATION MONEY PENDING ALLOTMENT**

	31st March 2015	31st March 2014
	₹ Lakhs	₹ Lakhs
Share application money pending allotment	1,17,828.63 *	1,13,374.27

(Net of utilisation of ₹10,405.65 Lakhs ( ₹ 10,405.65 Lakhs ) on account of equity shares issued during the year. The shares have been issued at a premium of ₹ 5 per share) ( refer Note 3 and 4)

\* Share Application money as above represents money received from the Company's Holding Company- CESC Ltd towards equity shares proposed to be issued at a premium. However, the timing and pricing of such allotment is yet to be decided.



6 LONG TERM BORROWINGS

	Non-Current		Current	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
<b>Secured Term Loans</b>				
Term Loan from a Scheduled bank	17,500.00	20,000.00	2,500.00	2,500.00
<b>Unsecured Term Loans</b>				
Term Loan from a Scheduled bank	5,800.00	3,600.00	2,800.00	900.00
	23,300.00	23,600.00	5,300.00	3,400.00
Amount disclosed under the head "Other Current Liabilities"(refer Note 10.2)	-	-	(5,300.00)	(3,400.00)
	23,300.00	23,600.00	-	-

a) **Nature of Security**

- i) The term loan of ₹ 5,000 Lakhs (₹ 7,500 Lakhs) is secured by hypothecation by way of first charge on all the current and movable assets (tangible & intangible, both present and future) and all the receivables of the company arising out of, pursuant to or under the merchant establishment agreement (including the credit card receivables account) save and except any asset situated in or any such receivables arising from the hyper stores situated at Vishakhapatnam and Hyderabad .
- ii) The balance term loan of ₹15,000 Lakhs( ₹ 15,000 Lakhs) is secured by hypothecation by way of first charge on all the current and movable assets (tangible & intangible, both present and future) and all the receivables of the company arising out of, pursuant to or under the merchant establishment agreement (including the credit card receivables account). The Holding Company has also issued an unconditional and irrevocable Letter of Comfort against this loan to the banker.

b) **Terms of Repayment and Rate of Interest**

**-Secured**

- i) Term loan of ₹ 5,000 Lakhs carries interest at floating rate which was 13.50% per annum during the year. The loan is repayable in 12 equal quarterly instalments of ₹ 625 Lakhs each starting from June 2014 to March 2017.
- ii) Term loan of ₹ 15,000 Lakhs carries interest at floating rate which was 12.75% per annum during the year . The loan is repayable in 8 equal semi annual instalments of ₹1,875 Lakhs each starting from May 2016 to November 2019.

**-Unsecured**

- i) Term loan of ₹ 1,200.00 Lakhs carries interest of 10.75% per annum. The loan is repayable in 10 equal quarterly instalments of ₹ 150.00 Lakhs each starting from December 2014 to March 2017.
- ii) Term loan of ₹ 2,400.00 Lakhs carries floating interest rate which was 11.50% per annum during the year. The loan is repayable in 10 equal quarterly instalments of ₹ 300.00 Lakhs each starting from December 2014 to March 2017.
- iii) Term loan of ₹ 5,000.00 Lakhs carries floating interest rate which was 11.50% per annum during the year. The loan is repayable in 10 equal quarterly instalments of ₹ 500.00 Lakhs each starting from December 2015 to March 2018.

7 **OTHER LONG TERM LIABILITY**

	Non-Current		Current	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Other Expenses	-	17.50	18.82	17.00
Amount disclosed under the head "Other Current Liabilities"(refer Note 10.2)	-	-	(18.82)	(17.00)
	-	17.50	-	-



**8 PROVISIONS**

	Non-Current		Current	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
<b>Provision for Employee Benefits</b>				
Gratuity (refer Note 35)	236.20	257.53	57.72	29.00
Leave (refer Note 35)	239.59	241.40	22.11	14.80
	475.79	498.93	79.83	43.80
<b>Other Provisions</b>				
Provision for Claims on Leased Properties [refer Note 27 (c)]	-	-	1,113.32	1,108.23
Provision for Loyalty points [refer Note (a) below ]	-	-	48.77	48.68
Provision for tax disputes [refer Note (b) below ]	-	-	161.80	161.80
	475.79	498.93	1,403.72	1,362.51

**a) Movement of Provision for Loyalty points**

Opening balance	48.68	83.78
Provision for points accrued during the year	191.51	181.06
Provision reversed for points redeemed/expired during the year	(191.42)	(216.16)
Closing balance	48.77	48.68

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

**Movement of Provision for tax disputes**

Opening balance	161.80	200.19
Provision created during the year	-	0.59
Provision reversed/utilised during the year	-	(38.98)
Closing balance *	161.80	161.80

\* Net of deposits of ₹ 53.19 Lakhs (₹53.19 Lakhs) made under appeal

**9 SHORT TERM BORROWINGS**

	31st March 2015	31st March 2014
	₹ Lakhs	₹ Lakhs
<b>SECURED LOANS</b>		
Overdraft from banks	2,000.00	2,000.00
<b>UNSECURED LOANS</b>		
From scheduled banks	20,500.00	20,500.00
	22,500.00	22,500.00

**a) Nature of Security**

Overdraft from bank is secured against margin money deposits .

**b) Terms of Repayment and Rate of Interest**

**-Secured**

The Overdraft from Bank is repayable on demand and carries floating interest rate in the range of 11.75% to 12.25% per annum

**-Unsecured**

Unsecured Loan from scheduled banks comprises of Indian Rupee term loans repayable within one year and carries interest of 9.50% for ₹20,000.00 Lakhs and 10.75% per annum for ₹500.00 Lakhs respectively.

**10 TRADE PAYABLE & OTHER CURRENT LIABILITIES**

	31st March 2015	31st March 2014
	₹ Lakhs	₹ Lakhs
<b>10.1 Trade Payable (refer Note 36)</b>	19,354.52	18,248.23
<b>10.2 Other Current Liabilities</b>		
Current maturities of long-term borrowing (refer Note 6)	5,300.00	3,400.00
Interest accrued but not due on borrowings	12.29	13.33
Interest accrued and due on borrowings	53.65	6.14
Advance from Customers	112.57	174.69
Other Payables		
Capital Creditors	1,109.22	501.89
Statutory Liabilities	376.77	378.21
Sundry Deposits	220.79	211.23
Book Overdraft in current account	2,363.72	660.68
Others		
- Payables to Employees	720.08	727.21
- Royalty Payable	2,743.06	1,930.59
- Other Expenses (refer Note 7)	18.82	17.00
	13,030.97	8,020.97





SPENCER'S RETAIL LIMITED

Notes to Financial Statements as at and for the year ended 31st March 2015

11 FIXED ASSETS

11.1 TANGIBLE ASSETS

(₹ Lakhs)

	<u>LeasenoId Improvement</u>	<u>Plant &amp; Machinery</u>	<u>Computer Hardwares</u>	<u>Vehicles</u>	<u>Furniture &amp; Fixtures</u>	<u>Office Equipments</u>	<u>Total</u>
<b>Cost</b>							
As at 1st April 2013	15,338.48	4,458.59	5,703.90	75.26	7,402.99	466.67	33,445.89
Additions	1,951.90	944.10	472.00	-	1,576.45	2.13	4,946.58
Disposals/Deductions	838.06	91.70	463.23	-	297.29	5.80	1,696.08
<b>As at 31st March 2014</b>	<b>16,452.32</b>	<b>5,310.99</b>	<b>5,712.67</b>	<b>75.26</b>	<b>8,682.15</b>	<b>463.00</b>	<b>36,696.39</b>
Additions	760.97	531.82	498.89	14.47	763.49	27.10	2,596.74
Disposals/Deductions	1,715.80	395.46	621.13	9.24	420.97	36.87	3,199.47
<b>As at 31st March 2015</b>	<b>15,497.49</b>	<b>5,447.35</b>	<b>5,590.43</b>	<b>80.49</b>	<b>9,024.67</b>	<b>453.23</b>	<b>36,093.66</b>
<b>Depreciation</b>							
As at 1st April 2013	5,992.31	1,829.47	5,063.30	29.02	3,186.59	117.63	16,218.32
Charge for the year	1,676.32	323.40	330.99	11.84	585.05	27.98	2,955.58
Disposals/Deductions	415.76	44.41	453.35	-	170.05	4.47	1,088.03
<b>As at 31st March 2014</b>	<b>7,252.87</b>	<b>2,108.46</b>	<b>4,940.94</b>	<b>40.86</b>	<b>3,601.59</b>	<b>141.14</b>	<b>18,085.86</b>
Opening adjustment	-	-	132.12	-	55.77	204.50	392.39
Charge for the year	1,634.49	324.43	409.83	5.17	1,075.78	26.36	3,476.06
Disposals/Deductions	1,342.95	222.78	589.58	8.38	291.50	32.52	2,487.71
<b>As at 31st March 2015</b>	<b>7,544.41</b>	<b>2,210.11</b>	<b>4,893.31</b>	<b>37.65</b>	<b>4,441.64</b>	<b>339.48</b>	<b>19,466.60</b>
<b>Net Block</b>							
As at 31st March 2014	9,199.45	3,202.53	771.73	34.40	5,080.56	321.86	18,610.53
As at 31st March 2015	7,953.08	3,237.24	697.12	42.84	4,583.03	113.75	16,627.06

Note:

Effective from April 1, 2014, the Company has charged depreciation based on the revised useful life of the assets as per the requirement of Schedule II of the Companies Act, 2013. Due to above, depreciation charge for the year ended March 31st, 2015, is higher by ₹ 762.06 Lakhs. Further, based on transitional provision provided in Note 7 (b) of Schedule II, an amount of ₹ 392.39 Lakhs has been adjusted with retained earnings. (Refer Note 4)

Depreciation for the year includes ₹ 293.45 Lakhs (₹ 523.00 Lakhs) being accelerated depreciation on certain movable /immovable items not in use from closed/stores under closure

11.2 INTANGIBLE ASSETS

(₹ Lakhs)

	<u>Computer Softwares</u>	<u>Know- How and Licence</u>	<u>Total</u>
<b>Gross Block</b>			
As at 1st April 2013	1,171.69	707.19	1,878.88
Additions	229.00	-	229.00
Disposals/Deductions	-	37.57	37.57
<b>As at 31st March 2014</b>	<b>1,400.69</b>	<b>669.62</b>	<b>2,070.31</b>
Additions	95.10	-	95.10
Disposals/Deductions	0.18	-	0.18
<b>As at 31st March 2015</b>	<b>1,495.61</b>	<b>669.62</b>	<b>2,165.23</b>
<b>Amortisation</b>			
As at 1st April 2013	697.97	252.90	950.87
Charge for the year	166.97	70.71	237.68
Disposals/Deductions	-	23.70	23.70
<b>As at 31st March 2014</b>	<b>864.94</b>	<b>299.91</b>	<b>1,164.85</b>
Charge for the year	148.81	66.96	215.77
Disposals/Deductions	0.15	-	0.15
<b>As at 31st March 2015</b>	<b>1,013.60</b>	<b>366.87</b>	<b>1,380.47</b>
<b>Net Block</b>			
As at 31st March 2014	535.75	369.71	905.46
As at 31st March 2015	482.01	302.75	784.76



**12 NON CURRENT INVESTMENTS**

(valued at Cost unless stated otherwise)

	31st March 2015		31st March 2014	
	No. of Shares	₹ Lakhs	No. of Shares	₹ Lakhs
<b>Trade (Unquoted)</b>				
Equity Shares, Fully Paid Up of ₹ 10 each				
Shares in Subsidiary Companies				
Music World Retail Limited	50,00,000	- *	50,00,000	- *
Aou Bon Pain Café India Ltd.	720,00,000	7,200.00	320,00,000	3,200.00
<b>Others:</b>				
Retailer's Association of India	10,000	1.00	10,000	1.00
		<u>7,201.00</u>		<u>3,201.00</u>

Note :

- Aggregated amount of Unquoted Investments as at 31st March 2015 : ₹7,201 Lakhs (₹ 3,201 Lakhs)
- Diminution of ₹ 5,579 Lakhs in the value of a long term unquoted investment, based on the net worth as per the latest audited accounts of the subsidiary Company as on 31st March, 2015, has been assessed temporary by the management in view of it's business valuation done by an Independent Valuer and accordingly no provision has been made there against.
- \* Net of Provision for diminution in value of investments ₹8,024 Lakhs (₹8,024 Lakhs)
- The Company currently holds 90% stake in Aou Bon Pain Café India Ltd. and balance 10% is held by a minority share holder. As per the shareholding agreement between the Company and the minority shareholder they have an irrevocable call and put option respectively related to such minority stake. However, no such option has been exercised by either party at the Balance Sheet date.

**13 DEFERRED TAX**

There are unabsorbed depreciation and carried forward losses as at the Balance Sheet date. However, based on future profitability projections, the Company is virtually certain that there would be sufficient taxable income in future and hence, continues to carry Deferred Tax Asset (DTA) of ₹ 31,053.45 Lakhs ( ₹31,053.45 Lakhs). The Company, however, has not recognised any further DTA on the losses of the current year based on its projections and ground of prudence.

The break-up of DTA is as follows:

	31st March 2015	31st March 2014
	₹ Lakhs	₹ Lakhs
Timing Difference in Depreciable Assets	2,005.80	2,005.80
Unabsorbed Depreciation	8,062.61	8,062.61
Business losses carried forward	19,941.62	19,941.62
Other Timing Differences	1,043.42	1,043.42
Net Deferred Tax Asset	<u>31,053.45</u>	<u>31,053.45</u>



14 **LOANS & ADVANCES**

	Non-Current		Current	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
<b>Unsecured, Considered Good unless otherwise stated</b>				
Capital Advances (A)	55.19	126.71	-	-
<b>Deposits</b>				
Considered Good	5,008.30	4,901.62	93.54	-
Considered Doubtful	77.21	91.41	-	-
	5,085.51	4,993.03	93.54	-
Less: Provision for Doubtful Deposits	(77.21)	(91.41)	-	-
(B)	5,008.30	4,901.62	93.54	-
Share application money to Subsidiary Company pending allotment (C)	102.65	1,579.50	-	-
Advances Recoverable in cash or in kind (D)	-	-	76.02	83.74
<b>Other Loans and advances</b>				
Advance Income tax	146.50	180.95	221.51	183.02
Prepaid Expenses	233.46	276.19	409.37	333.04
Advances to Employees	10.57	0.77	## 100.25	39.90
Balance with Statutory /Government Authorities	-	-	17.48	8.08
Deposits for claims and tax disputes	10.43	19.20	# 165.75	-
Interest free loan to wholly owned subsidiary	-*	-*	-	-
(E)	400.96	477.11	914.36	564.04
<b>Total (A+B+C+D+E)</b>	<b>5,567.10</b>	<b>7,084.94</b>	<b>1,083.92</b>	<b>647.78</b>

\* Net of Provision for doubtful loans ₹2,039.15 Lakhs ( ₹2,039.15 Lakhs)

# Net of provisions ₹ 100 Lakhs( Nil) against the matter under litigation.

## Include dues from a Director ₹64.48 Lakhs (Nil)

15 **INVENTORIES**

(At lower of cost and net realisable value)

	31st March 2015		31st March 2014	
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Raw Material		81.20		100.55
Traded Goods	17,399.29		14,213.49	
Less : Provision for Obsolete Stock	505.73	16,893.56	422.23	13,791.26
Packing Materials	180.61		198.29	
Less : Provision for Obsolete Stock	34.61	146.00	30.70	167.59
<b>Total</b>		<b>17,120.76</b>		<b>14,059.40</b>





**16 CASH AND BANK BALANCES**

	Non-Current		Current	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
<b>Cash &amp; Cash Equivalents</b>				
<b>Balance with Banks</b>				
On current accounts	-	-	91.54	76.29
Cash in hand	-	-	300.88	433.71
	-	-	<b>392.42</b>	<b>510.00</b>
<b>Other bank balances</b>				
Deposits with original maturity for more than 12 months	200.45	0.45	-	100.00
Margin Money Deposit	2,408.67	2,529.10	-	-
	<b>2,609.12</b>	<b>2,529.55</b>	-	<b>100.00</b>
Less: Amount disclosed under Other non-current assets (refer Note 17.2)	(2,609.12)	(2,529.55)	-	-
	-	-	<b>392.42</b>	<b>610.00</b>

**Margin money deposits given as security**

Margin money deposits of ₹2,408.67 Lakhs (₹ 2,529.10 Lakhs) are pledged with banks against Bank Guarantees & Over Draft Facilities.

**17 TRADE RECEIVABLES & OTHER ASSETS**

(Unsecured, Considered Good unless otherwise stated)

	Current		Current	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
<b>17.1 Trade Receivables</b>				
Receivables overdue for a period exceeding six months				
Considered good	25.37	22.25		
Considered Doubtful	6.70	6.70		
	(A)	32.07	28.95	
Other receivables	(B)	2,098.02	2,070.53	
	(A+B)	<b>2,130.09</b>	<b>2,099.48</b>	
Less: Provision for doubtful receivables	(6.70)	(6.70)		
	<b>2,123.39</b>	<b>2,092.78</b>		
<b>17.2 Other Assets</b>				
Other Bank balances (refer Note 16)	2,609.12	2,529.55	-	-
Interest receivable on Fixed Deposits	11.41	14.03	21.92	27.05
Insurance Claims Receivable	-	-	34.45	-
	<b>2,620.53</b>	<b>2,543.58</b>	<b>56.37</b>	<b>27.05</b>



SPENCER'S RETAIL LIMITED

Notes to Financial Statements as at and for the year ended 31st March 2015

(₹ Lakhs)

	2014-15	2013-14
<b>18 REVENUE FROM OPERATIONS</b>		
Sale of Products	1,60,720.37	1,40,123.20
Less: Excise duty	(31.02)	(24.46)
Revenue from Operations	1,60,689.35	1,40,098.74
Income from Recoveries and Services	5,881.04	5,029.44
	<u>1,66,570.39</u>	<u>1,45,128.18</u>
<b>Details of Sale of products</b>		
<u>Food *</u>	99,524.19	85,707.88
<u>Non Food</u>		
- FMCG	29,119.80	25,093.71
- Others	32,076.38	29,321.61
	<u>1,60,720.37</u>	<u>1,40,123.20</u>

\* Includes Sale of manufactured food products of ₹ 1,068.82 Lakhs (₹ 813.09 Lakhs)

**19 OTHER INCOME**

Interest Income on bank deposits	242.25	247.91
Net Gain on Sale of Current Investments	26.55	148.01
Provisions no longer required written back	314.66	263.67
Miscellaneous Income	38.17	13.80
	<u>621.63</u>	<u>673.39</u>





SPENCER'S RETAIL LIMITED

Notes to Financial Statements as at and for the year ended 31st March 2015

(₹ Lakhs)

	<u>2014-15</u>	<u>2013-14</u>
<b>20 INCREASE IN INVENTORIES OF TRADED GOODS</b>		
Inventories at the Beginning of the year	14,213.49	10,862.87
Inventories at the end of the year	17,399.29	14,213.49
Increase in Inventories of traded goods	<u>(3,185.80)</u>	<u>(3,350.62)</u>
<b>i) Details of purchase of traded goods</b>		
Food	84,745.07	74,148.12
Non Food		
- FMCG	25,228.56	22,287.40
- Others	27,155.03	23,352.67
	<u>1,37,128.66</u>	<u>1,19,788.19</u>
<b>ii) Details of Inventory of traded goods</b>		
Food	7,784.82	6,348.59
Non Food		
- FMCG	3,706.43	3,260.21
- Others	5,908.04	4,604.69
	<u>17,399.29</u>	<u>14,213.49</u>
<b>21 COST OF RAW MATERIALS CONSUMED</b>		
Inventory at the beginning of the year	100.55	54.35
Add: Purchases	637.81	528.72
	738.36	583.07
Less: Inventory at the end of the year	81.20	100.55
Cost of raw materials consumed	<u>657.16</u>	<u>482.52</u>
<b>Details of raw materials consumed</b>		
Food ingredients	657.16	482.52
<b>22 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages, Bonus and Exgratia	11,584.64	10,054.12
Contribution to Provident and Other Funds ( refer Note 35)	875.62	776.86
Staff Welfare Expenses	644.64	565.68
	<u>13,104.90</u>	<u>11,396.66</u>



SPENCER'S RETAIL LIMITED

Notes to Financial Statements as at and for the year ended 31st March 2015

(₹ Lakhs)

	2014-15		2013-14
<b>23 OTHER EXPENSES</b>			
Power and Fuel	3,589.32		3,406.68
Freight	152.72		165.78
Rent (refer Note 33)	8,285.58		7,715.57
Repairs and Maintenance			
- Plant and Machinery	2.06		0.75
- Buildings	301.45		315.69
- Others	2,295.93		2,126.86
Insurance	26.27		59.28
Rates and taxes	312.86		260.89
Advertisement and Selling Expenses	3,132.15		2,808.22
Packing Materials Consumed	463.03		471.55
Travelling and Conveyance	549.31		543.22
Security Charges	1,367.40		1,174.05
Auditor's remuneration			
Statutory Audit fees	82.75	80.00	
Tax Audit fees	10.50	10.00	
Others	61.75	5.50	
Service Tax	19.21	11.99	
Reimbursement of Expenses	1.84	1.50	108.99
Communication expenses	261.59		330.04
Printing and Stationery	254.99		241.33
Legal and consultancy charges	926.75		1,245.31
Contract payments towards housekeeping expenses	2,298.01		2,222.40
Royalty	902.75		787.07
Loss on Sale/ Write off of fixed assets (net)	663.72		312.03
Rental Deposits Written off	52.78	148.35	
Less: Adjusted against provisions	(52.78)	(147.81)	0.54
Provision for Doubtful Store Lease Deposits/ Advances	38.58		-
Provision for Bad and Doubtful Debts	-		6.70
Miscellaneous Expenses	192.14		192.49
	<u>26,192.66</u>		<u>24,495.44</u>
<b>24 DEPRECIATION AND AMORTISATION</b>			
Depreciation of tangible assets	3,476.06		2,955.58
Amortisation of intangible assets	215.77		237.68
	<u>3,691.83</u>		<u>3,193.26</u>
<b>25 FINANCE COSTS</b>			
Interest Expense	3,553.18		3,284.33
Other Borrowing Costs	1,211.75		1,053.05
	<u>4,764.93</u>		<u>4,337.38</u>



**26 EARNINGS PER SHARE (EPS)**

	<u>31st March 2015</u>	<u>31st March 2014</u>
Loss after tax and before exceptional items (₹ Lakhs)	(15,162.32)	(14,541.26)
Weighted Number of Equity Shares outstanding	1743,77,707	1042,46,509
Earnings per Share before exceptional items – Basic & Diluted (Face value of ₹ 10 each) (₹)	(8.70)	(13.95)
Loss after tax and exceptional items (₹ Lakhs)	(15,162.32)	(16,580.41)
Weighted Number of Equity Shares outstanding	1743,77,707	1042,46,509
Earnings per Share after tax and exceptional items – Basic & Diluted (Face value of ₹ 10 each) (₹)	(8.70)	(15.91)

Since, the effect of ESOP and share application money pending allotment on earnings per share (EPS) is anti-dilutive, basic and dilutive EPS are same.

**27 CONTINGENCIES AND COMMITMENTS**

	<u>31st March 2015</u>	<u>31st March 2014</u>
	₹ Lakhs	₹ Lakhs
<b>a) Contingencies</b>		
Contingent liabilities not provided for in respect of:		
- Sales Tax demands under appeal	298.94	130.03
- Service Tax demands under appeal	553.89	553.89
- Claims against the Company not acknowledged as debt	453.93	135.80
- Guarantee to ABP Corporation on behalf of a Subsidiary Company to discharge obligation, if any, in the event of default	Not Quantified	Not Quantified
<b>b) Commitments</b>		
- Estimated amount of contracts remaining to be executed on capital account (net of advances)	215.39	627.66

c) Retailers Association of India (RAI) of which the Company is a member, has filed Special Leave Petition before the Hon'ble Supreme Court of India, about the applicability of service tax on commercial rent on immovable property. Pending disposal of the case, the Supreme Court has passed an interim ruling in Oct 11 directing the members of RAI to pay 50% of total service tax liability up to Sept 11 to the department and to furnish a surety for balance 50%. The Supreme Court has also clarified that the successful party in the appeal shall be entitled to interest on the amount stayed by the Court, at such rate as may be directed at the time of the final disposal of appeal. Accordingly the Company has already deposited ₹ 460 Lakhs and furnished a surety for ₹ 460 Lakhs towards the balance service tax liability, while interest, whose quantum and applicability is presently not ascertainable, will be provided on the disposal of the petition, if required.

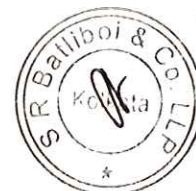
Further, the Company has also been making provision for service tax on rent from October 2011 onwards, the balance whereof as on 31st March 2015 is ₹ 1,113.32 Lakhs (₹ 1,108.23 Lakhs)

**Movement of Provision for Claims on Leased Properties**

	<u>31st March 2015</u>	<u>31st March 2014</u>
	₹ Lakhs	₹ Lakhs
Opening balance	1,108.23	1,001.49
Add: Provision created during the year	64.24	106.74
Less: Provision reversed during the year	59.15	-
Closing balance	<u>1,113.32</u>	<u>1,108.23</u>

d) The Company has ongoing commitment to extend support and provide equity to a subsidiary, in respect of various projects and otherwise. The future cash outflow in respect of above cannot be ascertained at this stage

28 The Company has accumulated losses of ₹156,338.74 Lakhs against the Shareholder's funds of ₹ 162,290.55 Lakhs (including share application money pending allotment) as on the Balance Sheet date. The Company, however, having created a robust infrastructure for organized retail business, is confident of generating positive cash flows and operational surplus in the near future. The holding Company has also committed to provide continued financial and governance support to the Company. Further, the losses for the Company are reducing and the Company is operating at a positive store EBITDA in aggregate at store level. Therefore, the Company is confident about the continuity of its operations and long term viability.





**29 SEGMENT INFORMATION**

Based on the synergies, risk and returns associated with the business operations and in terms of Accounting Standard 17, the Company is predominantly engaged in a single reportable segment of "Organised retailing" during the year. The Company at present primarily operates in India and therefore the analysis of geographical segment is not applicable to the company.

**30 EMPLOYEE STOCK OPTION PLAN (ESOP)**

The Company had provided equity settled ESOP to its employees vesting over a period of 5 years in equal instalments linked to performance rating of respective employees. As at year ended 31st March 2015, there are however, no outstanding non vested options.

During the year, there has been allotment of Nil (Nil) options with exercise price of Nil (Nil) of the options vested in the earlier years.

3,200 (38,231) options with exercise price of ₹ 44 /- (₹ 44 /-) vested in earlier years, has been cancelled on resignation of employees during the year. The Company in the year 2009-10 had withdrawn the ESOP Scheme and retained ESOP liability to the extent of vested options till 1st January 2010.

**31 VALUE OF IMPORTS CALCULATED IN CIF BASIS**

	<u>2014-15</u> ₹ Lakhs	<u>2013-14</u> ₹ Lakhs
Capital Goods	2.15	-

**32 EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)**

	<u>2014-15</u> ₹ Lakhs	<u>2013-14</u> ₹ Lakhs
Consultancy	125.02	-
Others	-	0.37
	<u>125.02</u>	<u>0.37</u>

**33 LEASES****Operating Lease (Company as Lessee)**

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

	<u>2014-15</u> ₹ Lakhs	<u>2013-14</u> ₹ Lakhs
Lease Payments for the year	8,285.58	7,715.57
Future Minimum Lease Payments -		
Not Later than one year	5,438.46	5,593.87
Later than one year but not later than five years	20,393.74	18,734.59
Later than five years	39,959.84	33,960.00



34 RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

- Holding Company  
 CESC Limited  
 Au Bon Pain Café India Limited  
 Subsidiary Companies  
 Music World Retail Limited  
 CESC Properties Limited  
 First Source Solutions Ltd  
 Fellow Subsidiary  
 Mobit Kampani, Whole Time Director  
 Key Management Personnel  
 Mobit Kampani, Whole Time Director

Details of transactions entered into with the related parties:

Particulars	Holding Company		Subsidiaries		Fellow Subsidiary		Key Management Personnel		Total	
	Transaction Value	Balance Outstanding as on 31/3/2015	Transaction Value	Balance Outstanding as on 31/3/2015	Transaction Value	Balance Outstanding as on 31/3/2015	Transaction Value	Balance Outstanding as on 31/3/2015	Transaction Value	Balance Outstanding as on 31/3/2015
Sales of Goods	10.65	0.91	-	-	-	-	-	-	10.65	0.91
CESC Limited	(17.52)	(1.23)	-	-	-	-	-	-	(17.52)	(1.23)
CESC Properties Ltd	-	-	1.34	-	-	-	-	-	1.34	-
Sales of Gift Vouchers	-	-	-	-	-	-	-	-	-	-
First Source Solutions Ltd	-	-	14.84	-	14.84	-	-	-	14.84	(1.45)
CESC Limited	1.60	0.57	(1.45)	(1.45)	-	-	-	-	1.60	0.57
Purchase of Goods	-	-	-	-	-	-	-	-	-	-
Au Bon Pain Café India Limited	-	-	-	-	-	-	-	-	0.07	-
Expense Incurred	-	-	-	-	-	-	-	-	(0.63)	-
CESC Limited	161.65	25.32	-	-	-	-	-	-	161.65	25.32
Au Bon Pain Café India Limited	(154.97)	(31.74)	-	-	-	-	-	-	(154.97)	(31.74)
CESC Properties Ltd	-	-	16.85	-	-	-	-	-	16.85	-
Interest Income	-	-	-	-	454.75	12.59	-	-	454.75	12.59
CESC Limited	1.31	-	(174.96)	(62.80)	-	-	-	-	(174.96)	(62.80)
Royalty Paid	(1.19)	-	-	-	-	-	-	-	1.31	-
CESC Limited	902.75	2,743.06	-	-	-	-	-	-	902.75	2,743.06
Remuneration to Key Managerial Personnel	(787.07)	(1,930.59)	-	-	-	-	-	-	(787.07)	(1,930.59)
Mobit Kampani	-	-	-	-	83.29	-	83.29	-	83.29	-
Proceeds of Loan taken	-	-	-	-	-	-	(109.39)	-	(109.39)	-
CESC Limited	45,500.00	-	-	-	-	-	-	-	45,500.00	-
Renewment of Loan taken	(45,000.00)	-	-	-	-	-	-	-	(45,000.00)	-
CESC Limited	45,500.00	-	-	-	-	-	-	-	45,500.00	-
Equity Investment	(45,000.00)	-	-	-	-	-	-	-	(45,000.00)	-
Au Bon Pain Café India Limited	-	-	-	-	-	-	-	-	4,000.00	7,200.00
Security Deposit paid	-	-	-	-	-	-	-	-	(400.00)	(3,200.00)
CESC Limited	1.09	23.02	-	-	-	-	-	-	1.09	23.02
CESC Properties Limited	(1.47)	(21.93)	-	-	-	-	-	-	(1.47)	(21.93)
Share Application money received/adjusted	-	-	-	-	-	-	-	-	-	-
CESC Limited	14,860.00	1,17,828.63	-	-	-	-	-	-	14,860.00	1,17,828.63
Shares Issued (including Premium)	(9,600.00)	(1,13,374.27)	-	-	-	-	-	-	(9,600.00)	(1,13,374.27)
CESC Limited	10,405.65	-	-	-	-	-	-	-	10,405.65	-
Share Application money paid	(10,405.65)	-	-	-	-	-	-	-	(10,405.65)	-
Au Bon Pain Café India Limited	-	-	-	-	-	-	-	-	2,523.15	102.65
Interest Free Loan Given	-	-	-	-	-	-	-	-	(1,702.00)	(1,579.50)
Music World Retail Limited	-	-	-	-	-	-	-	-	-	-
Remuneration to Key Managerial Personnel	-	-	-	-	-	-	-	-	(84.65)	-
Mobit Kampani	-	-	-	-	-	-	-	-	64.48	64.48



## 35 GRATUITY &amp; OTHER POST EMPLOYMENT BENEFIT PLANS

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 day's salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The Company also extends benefit of compensated absences to the employees, whereby they are eligible to carry forward their entitlement of earned leave for encashment upon retirement / separation. This is an unfunded plan.

I The following tables summarises the components of net benefit expense recognised in the statement of profit and loss for the year:

	2014-15		2013-14	
	Gratuity	Leave	Gratuity	Leave
Current service cost	55.06	52.20	53.15	44.41
Interest cost	23.54	16.22	25.54	18.34
Expected return on plan assets	4.73	-	4.60	-
Net actuarial (gain) / loss recognised in the year	35.52	43.88	18.71	44.89
<b>Total expense</b>	<b>109.39</b>	<b>112.30</b>	<b>92.80</b>	<b>107.64</b>

₹ Lakhs

II The following tables summaries the components of funded status and amounts recognised in the balance sheet for the plan.

(i) Net Asset/(Liability) recognized as on the balance sheet date:

	31st March 2015		31st March 2014	
	Gratuity	Leave	Gratuity	Leave
Present value of defined benefit obligation	363.43	261.70	340.57	256.20
Fair value of plan assets	69.51	-	54.04	-
<b>Net Asset / (Liability)</b>	<b>(293.92)</b>	<b>(261.70)</b>	<b>(286.53)</b>	<b>(256.20)</b>

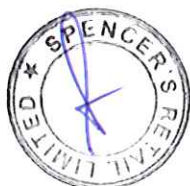
(ii) Changes in the present value of the defined benefit obligation are as follows:

	31st March 2015		31st March 2014	
	Gratuity	Leave	Gratuity	Leave
Present value of defined benefit obligation at the beginning of the year	340.57	256.20	326.42	258.93
Interest cost	23.54	16.22	25.54	18.34
Current service cost	55.06	52.20	53.15	44.41
Benefits paid	92.00	106.80	85.25	110.37
Actuarial (gains) / losses on obligation	36.26	43.88	20.71	44.89
<b>Present value of defined benefit obligation at the end of the year</b>	<b>363.43</b>	<b>261.70</b>	<b>340.57</b>	<b>256.20</b>

(iii) Changes in the fair value of plan assets are as follows:

	31st March 2015		31st March 2014	
	Gratuity	Leave	Gratuity	Leave
Fair value of plan assets at the beginning of the year	54.04	-	52.52	-
Expected return on plan assets	4.73	-	4.60	-
Contributions by employer	102.00	-	80.17	-
Actual benefits paid	92.00	-	85.25	-
Actuarial gains / (losses)	0.74	-	2.00	-
<b>Fair value of plan assets at the end of the year</b>	<b>69.51</b>	<b>-</b>	<b>54.04</b>	<b>-</b>

(iv) The Company expects to contribute ₹ 60.00 Lakhs (₹ 50.00 Lakhs) to Gratuity Fund in FY 2015-16





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

	31st March 2015	31st March 2014
	<u>Gratuity (%)</u>	<u>Gratuity (%)</u>
Investments with insurer	100%	100%

(vi) The principal assumptions used in determining gratuity and leave obligations for the Company's plan are shown below

	31st March 2015		31st March 2014	
	<u>Gratuity</u>	<u>Leave</u>	<u>Gratuity</u>	<u>Leave</u>
Discount rate	8.00%	8.00%	9.00%	9.00%
Expected rate of return on assets	8.75%	-	8.75%	-
Employee turnover	Grade wise attrition ranging from 0% to 72.18%		10.00%	

(vii) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

(viii) Contribution to Provident and Other Funds includes ₹ 766.24 Lakhs (₹684.06Lakhs) paid towards defined contribution plans.

(ix) Amounts for the current and previous four years are as follows:

	₹ Lakhs				
	31st March 2015	31st March 2014	31st March 2013	31st March 2012	31st March 2011
<b>a) Gratuity</b>					
Defined benefit obligation	363.43	340.57	326.42	275.17	177.25
Plan assets	69.51	54.04	52.52	60.80	66.09
(Surplus)/deficit	293.92	286.53	273.90	214.37	111.16
Experience adjustments on plan liabilities	58.28	59.85	33.91	(22.62)	(3.63)
Experience adjustments on plan assets	0.74	(1.60)	(4.35)	3.05	3.60
<b>b) Leave</b>					
Defined benefit obligation	261.70	256.20	258.93	245.15	165.97
Plan assets *	-	-	-	-	-
(Surplus)/deficit	261.70	256.20	258.93	245.15	165.97
Experience adjustments on plan liabilities	-26.85	77.49	81.43	102.78	70.87
Experience adjustments on plan assets*	-	-	-	-	-

\* Unfunded



36 Details of dues to micro and small enterprises as defined under MSMED Act, 2006

	2014-15		2013-14	
	₹ Lakhs		₹ Lakhs	
i) Principal amount due	-		-	
ii) Interest due on above	0.04		1.24	
iii) Amount of interest paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act 2006 (MSMED Act 2006) along with the amounts of the payment made to the supplier beyond the appointed day during each	-		-	
a) Principal	7.78		207.11	
b) Interest	-		-	
iv) The amount of Interest due and payable for the period of delay in making the payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006	0.04		1.24	
v) Amount of interest accrued and remaining unpaid as at year end	0.04		1.24	
vi) Amount of further interest remaining due and payable even in the succeeding year, 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 MSMED Act 2006	-		-	

37 CONSUMPTION OF RAW MATERIAL

	2014-15		2013-14	
	%	₹ Lakhs	%	₹ Lakhs
Indigenous	100%	657.16	100%	482.52

38 EXCEPTIONAL ITEMS

Exceptional item represents Provision made towards interest free loan in a loss making subsidiary amounting to ₹ Nil (₹ 2,039.15 Lakhs)

39 Unhedged foreign exchange exposure as on 31st March 2015 :

	31st March 2015		31st March 2014	
	Currency			
Trade payables	CAD (\$)	1,22,866	-	
	₹	60,81,867	-	

40 Previous year end figures including those given in brackets have been regrouped / rearranged where ever necessary to confirm with the current year end classification.

As per our report of even date attached

For S.R.Baliboi & Co. LLP  
Firm Registration No: 301003E  
Chartered Accountants  
per Kamal Agarwal  
Partner  
Membership No 58652



For and on behalf of the Board of Directors

Mohit Kampani

Director

Anubhashini  
Chief Financial Officer

[Signature]

Director

Anant Chakravarty  
Company Secretary

Place : Kolkata

Date : 19 May, 2015



FORM NO. AOC.1

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**PART "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in ₹)

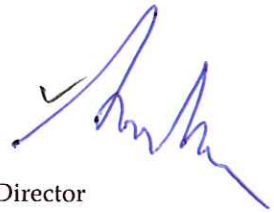
₹ Lakhs

1	Sl.No.	1	2
2	Name of Subsidiary	Au Bon Pain Cafe India Limited	Music World Retail Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.
5	Share Capital	8,000.00	500.00
6	Reserves and Surplus	(5,973.34)	(2,648.73)
7	Total Assets	2,553.03	2.88
8	Total Liabilities	2,553.03	2.88
9	Investments	NIL	NIL
10	Turnover	1,626.33	12.16
11	Profit before Taxation	(2,248.50)	(0.05)
12	Provision for Taxation	NIL	NIL
13	Profit after Taxation	(2,248.50)	(0.05)
14	Proposed Dividend	NIL	NIL
15	% of Shareholding	90%	100%

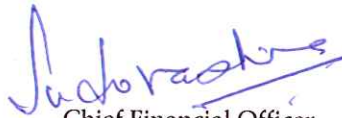
For and on behalf of the Board

Mohit Kampani

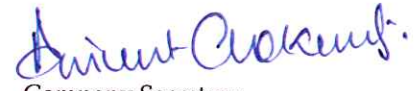
Director



Director



Chief Financial Officer



Company Secretary

Dated : 19 May, 2015

