

**FIORA HYPERMARKET LIMITED**

**ANNUAL FINANCIAL STATEMENTS**

**2016-2017**

**N. M. RAIJI & CO.**  
*Chartered Accountants*  
Universal Insurance Building,  
Pherozeshah Mehta Road,  
Mumbai-400 001. INDIA  
Telephone: 2287 0068  
2287 3463  
Telefax : 91 (22) 2282 8646  
E-mail : nmr.ho@nmraiji.com

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Fiora Hypermarket Limited**

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

We have audited the accompanying standalone Ind AS financial statements of **Fiora Hypermarket Limited** ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2017 and the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Standalone Ind AS 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 and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, cash Flows and the statement of changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the Indian Accounting Standards and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under sub-section (10) of Section 143 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### **Opinion**

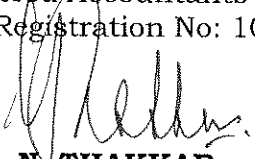
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its financial performance including other comprehensive income, its cash flows and its changes in equity for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of the audit, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by sub-section (3) of section 143 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, the statement of profit and loss (including other comprehensive income), the cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS specified under section 133 of the Act.
- e. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017 from being appointed as a director in terms of sub-section (2) of section 164 of the Act.
- f. The Company has generally adequate internal financial controls system in place and the same are generally operating effectively.
- 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 did not have any pending litigations requiring to be disclosed in its standalone Ind AS financial statements – Refer Note no. 33(d) & 33(e) forming part of standalone Ind AS financial statements.
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (iv) The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the company. Refer note no.11 forming part of standalone Ind AS financial statements.

For **N. M. RAIJI & CO.**  
Chartered Accountants  
Firm Registration No: 108296W

  
**CA. Y. N. THAKKAR**  
Membership No: 33329  
Place: Mumbai  
Date: 10<sup>th</sup> May, 2017

**Annexure to the Independent Auditor's report of even date**

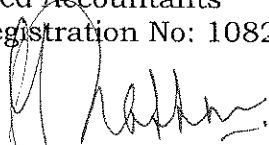
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Fiora Hypermarket Limited (the Company))

- i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) As explained to us, physical verification of major items of fixed assets was conducted by the management during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size and operations of the company and the nature of its assets. On the basis of explanations received, in our opinion, the discrepancies found on physical verification were not significant;
- c) The Company does not have any immovable properties. 'Buildings' as reflected in Fixed Assets (Refer Note no. 4 of standalone Ind AS financial statements) comprises of improvements to leasehold premises. Hence no disclosure in respect of the title deeds of immovable properties is required to be made;
- ii) As explained to us, physical verification of inventories has been conducted at reasonable intervals during the year by the management. In our opinion, the discrepancies noticed on physical verification were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account;
- iii) The Company has not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, sub clauses (a), (b) & (c) , are not applicable;
- iv) The Company has not granted any loans, neither made any investment, nor given any guarantees or security requiring compliance of the provisions of Section 185 and Section 186 of the Act;
- v) The Company has not accepted any deposits from the public;
- vi) According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for the products of the Company;
- vii) a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. Based on our audit procedures and according to the information and explanations given to us, there are no arrears of undisputed statutory dues which remained outstanding as on 31<sup>st</sup> March, 2017 for a period of more than six months from the date they became payable;
- b) There are no disputed dues on account of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax;



- viii) The Company does not have any loans or borrowing from financial institutions, banks, Government or dues to debenture holders;
- ix) The Company has not raised moneys by way of initial public offer or further public offer (including Debt instruments). The Company does not have any term loans;
- x) During the year, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported, during the course of our audit;
- xi) The Company has not paid or provided for any Managerial Remuneration during the year;
- xii) The Company is not a Nidhi Company, accordingly this clause is not applicable;
- xiii) All the related party transactions are in compliance with the Section 177 & 188 of the Act, and the details have been disclosed in the Financial Statement as required by the applicable accounting standards (Refer Note 35 of standalone Ind AS Financial Statements);
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year;
- xv) The Company has not entered into any non-cash transactions with directors or person connected with him requiring compliance of Section 192 of the Act;
- xvi) The Company is not required to be registered under 45-IA of the Reserve Bank of India Act, 1934.

For **N. M. RAIJI & CO.**  
Chartered Accountants  
Firm Registration No: 108296W



**CA. Y. N. THAKKAR**  
Membership No: 33329  
Place: Mumbai  
Date: 10<sup>th</sup> May, 2017

**FIORA HYPERMARKET LIMITED**  
**Balance Sheet as at 31st March 2017**

Sr. No.	Particulars	Note No.	As at	As at	As at
			31st March 2017	31st March 2016	1st April 2015
			Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
<b>I.</b>	<b>ASSETS</b>				
	<b>Non-current assets</b>				
	Property, plant and equipment	4	862.42	1,067.94	1,381.35
	Capital work-in-progress		-	0.32	0.32
	Intangible assets	5	56.07	60.12	25.37
	Intangible assets under development		-	-	-
	<b>Financial Assets</b>				
	Loans	6	14.24	11.57	13.01
	Other non-current assets	7	12.96	-	1.84
	<b>Total Non-Current Assets (A)</b>		<b>945.69</b>	<b>1,139.95</b>	<b>1,421.89</b>
	<b>Current Assets</b>				
	Inventories	8	710.78	704.63	819.31
	<b>Financial Assets</b>				
	(i) Investments	9	581.02	718.40	-
	(ii) Trade receivables	10	201.52	183.36	252.76
	(iii) Cash and cash equivalents	11	41.66	73.91	71.61
	(iv) Bank Balances other than (iii) above	12	16.68	5.80	6.64
	(v) Loans	13	161.15	162.34	257.93
	(vi) Other financial assets	14	0.10	0.07	448.75
	Current Tax Assets (Net)		18.22	18.41	11.80
	Assets held for sale		2.50	-	-
	Other current assets	15	142.09	110.87	94.31
	<b>Total Current Assets (B)</b>		<b>1,875.72</b>	<b>1,977.79</b>	<b>1,963.11</b>
	<b>Total Assets (A+B)</b>		<b>2,821.41</b>	<b>3,117.74</b>	<b>3,385.00</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>				
	<b>Equity</b>				
	Equity Share Capital	16	839.90	104.99	104.99
	Other Equity	16	1,218.54	(1,106.24)	(362.52)
	<b>Total Equity (C)</b>		<b>2,058.44</b>	<b>(1,001.25)</b>	<b>(257.53)</b>
	<b>LIABILITIES</b>				
	<b>Non-current liabilities</b>				
	<b>Financial Liabilities</b>				
	Borrowings	17	-	3,268.36	2,971.23
	Provisions	18	27.57	29.31	36.64
	Deferred tax liabilities (Net)	19	-	-	-
	<b>Total non-current liabilities</b>		<b>27.57</b>	<b>3,297.67</b>	<b>3,007.87</b>
	<b>Current liabilities</b>				
	<b>Financial Liabilities</b>				
	(i) Trade payables	20	563.29	638.62	415.68
	(ii) Other financial liabilities	21	58.20	58.10	82.59
	Other current liabilities	22	99.93	114.33	99.19
	Provisions	23	13.98	10.27	37.20
	<b>Total current liabilities</b>		<b>735.40</b>	<b>821.32</b>	<b>634.66</b>
	<b>Total Liabilities (D)</b>		<b>762.97</b>	<b>4,118.99</b>	<b>3,642.53</b>
	<b>Total equity and liabilities (C+D)</b>		<b>2,821.41</b>	<b>3,117.74</b>	<b>3,385.00</b>
	Significant accounting policies and other notes	1-43			

As per our report attached

For **N. M. RAIJI & CO.**,  
Chartered Accountants  
Registration No 108296W

**CA. Y. N. Thakkar**  
Partner  
Membership No 033329  
Mumbai  
Date:

10 MAY 2017

For and on behalf of the Board,

**Tanishka Agarwal**  
Company Secretary & Chief Financial Officer

Directors

10 MAY 2017

**FIORA HYPERMARKET LIMITED**

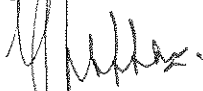
**Statement of Profit & Loss for the year ended 31st March 2017**

Sr No	Particulars	Note No.	For year ended	For year ended
			31st March 2017	31st March 2016
			Rs. in Lakhs	Rs. in Lakhs
I	Revenue from Operations	24	9,455.44	9,333.65
II	Other Income	25	117.99	36.76
III	<b>Total Revenue (I+II)</b>		<b>9,573.43</b>	<b>9,370.41</b>
IV	<b>Expenses:</b>			
	Cost of raw material consumed	26	15.68	150.07
	Purchases of Stock-in-Trade		7,630.85	7,387.94
	Changes in inventories of finished goods & stock in trade [(Accretion)/decretion]	27	(16.58)	124.19
	Employee benefits expenses	28	427.07	519.99
	Finance costs	29	317.66	297.13
	Depreciation & amortisation expenses	4 & 5	183.08	200.09
	Other expenses	s	1,496.23	1,459.63
	<b>Total Expenses (IV)</b>		<b>10,053.99</b>	<b>10,139.04</b>
V	<b>Profit/(Loss) before exceptional items and Tax (III-IV)</b>		<b>(480.56)</b>	<b>(768.63)</b>
VI	Exceptional items Income/ (Expense)	31	(47.13)	23.65
VII	<b>Profit/(Loss) before tax (V - VI)</b>		<b>(527.69)</b>	<b>(744.98)</b>
VIII	<b>Tax expense:</b>			
	Deferred tax		-	-
	<b>Total Tax Expenses</b>		<b>-</b>	<b>-</b>
IX	<b>Profit / (Loss) for the year (VII-VIII)</b>		<b>(527.69)</b>	<b>(744.98)</b>
X	<b>Other Comprehensive Income / (Loss)</b>	32		
	Items that will not be reclassified to profit or loss			
	Re-measurement gains/ (Losses) on defined benefit plans		3.32	1.26
	Income tax relating to items that will not be reclassified to profit or loss		-	-
	<b>Total Other comprehensive income/(loss) for the year, net of tax</b>		<b>3.32</b>	<b>1.26</b>
XI	<b>Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit/ (Loss) and Other Comprehensive Income for the year)</b>		<b>(524.37)</b>	<b>(743.72)</b>
XII	<b>Earnings per equity share :</b>			
	(1) Basic		(41.51)	(70.96)
	(2) Diluted		(41.51)	(70.96)
	Significant accounting policies and other notes	1-43		

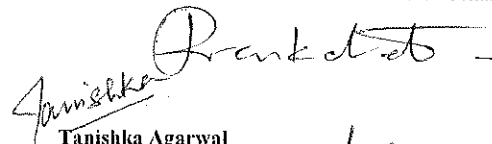
As per our report attached

For and on behalf of the Board,

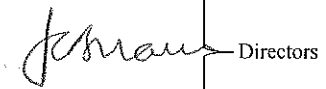
For N. M. RALJI & CO.,  
Chartered Accountants  
Registration No 108296W



CA. V.N. Thakkar  
Partner  
Membership No 033329  
Mumbai  
Date:



Tanishka Agarwal  
Company Secretary & Chief Financial Officer

 Directors

K. Merchant

10 MAY 2017

10 MAY 2017



**FIORA HYPERMARKET LIMITED**

**Statement of changes in Equity for the year ended 31st March 2017**

**a) Equity Share Capital**

	Number	Rs. in Lakhs
<b>Equity shares of Rs 10 each issued, subscribed and fully paid.</b>		
As at 1st April 2015		
Issue of share capital	10,49,880.00	104.99
As at 31st March 2016	-	-
Issue of share capital	10,49,880.00	104.99
As at 31st March 2017	73,49,118.00	734.91
	83,98,998.00	839.90

**b) Other equity**

	Equity component of compound financial instrument	Reserves and surplus		Other Comprehensive Income - Re-measurement gains/ (Losses) on defined benefit plans	Rs in Lakhs
		Retained Earnings	Securities Premium		Total
Balance as at 1st April 2015	1,667.75	(2,030.27)	-	-	(362.52)
Profit / (Loss) for the year	-	(744.98)	-	-	(744.98)
Re-measurement gains/ (Losses) on defined benefit plans	-	-	-	1.26	1.26
<b>Balance as at 31st March 2016</b>	<b>1,667.75</b>	<b>(2,775.25)</b>	<b>-</b>	<b>1.26</b>	<b>(1,106.24)</b>
Profit / (Loss) for the year	-	(527.69)	-	-	(527.69)
Re-measurement gains/ (Losses) on defined benefit plans	-	-	-	3.32	3.32
Issue of shares during the year (net of expenses)	-	-	3,662.60	-	3,662.60
Redemption of Compound Financial Instrument	(813.45)	-	-	-	(813.45)
Transferred to Retained Earning	(854.30)	854.30	-	-	-
<b>Balance as at 31st March 2017</b>	<b>-</b>	<b>(2,448.64)</b>	<b>3,662.60</b>	<b>4.58</b>	<b>1,218.54</b>

FIORA HYPERMARKET LIMITED				
Cash Flow Statement for the year ended 31st March 2017				
Sr. No.	Particulars	For year ended 31st March 2017		For year ended 31st March 2016
		Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
	Net Profit/(Loss) before Taxes and Exceptional Items		(480.56)	(768.63)
	Adjustments for :			
	Depreciation	183.08		200.09
	Change in fair value of investment	(59.99)		(18.40)
	Profit on sale of investment	(2.63)		-
	Excess Provision / Liabilities no Longer Required Written Back	(54.06)		(18.36)
	Loss on sale of fixed assets	8.34		-
	Bad debts written off	0.94		-
	Provision for bad and doubtful debts and advances	18.37		-
	Measurement of Defined Benefit Plan	3.32		1.26
	Unwinding of interest on Optionally convertible preference shares	317.66		297.13
			415.03	461.72
	<b>Operating Profit Before Working Capital Changes</b>		<b>(65.53)</b>	<b>(306.91)</b>
	Adjustments for :			
	(Increase) / Decrease in Inventories	(6.15)		114.69
	(Increase) / Decrease in Trade receivable	(36.34)		69.41
	(Increase) / Decrease in loans	(1.48)		97.03
	(Increase) / Decrease in other assets	(32.37)		25.92
	Increase / (Decrease) in Trade payable	(45.42)		241.87
	Increase / (Decrease) in other liabilities	5.38		6.57
	Increase / (Decrease) in provision	1.96		(34.25)
			<b>(114.42)</b>	<b>521.24</b>
	<b>Cash generated from operations</b>		<b>(179.95)</b>	<b>214.33</b>
	Direct Taxes refund received / (Paid)		0.19	(6.62)
	<b>Net Cash from Operating Activities</b>		<b>(179.76)</b>	<b>207.71</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
	Purchase of Fixed Assets	(43.20)		(69.62)
	Sale of Fixed Assets	3.54		563.37
	Sale of investment	200.00		-
	Purchase of investment	-		(700.00)
	<b>Net cash used in Investing Activities</b>		<b>160.34</b>	<b>(206.25)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Proceeds from issue of equity shares (net of expenses)	4,397.52		-
	Redemption of optionally convertible preference shares	(4,399.47)		-
	<b>Net cash from Financing Activities</b>		<b>(1.95)</b>	<b>-</b>
	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>(21.37)</b>	<b>1.46</b>
	<b>CASH AND CASH EQUIVALENTS AS AT OPENING</b>		<b>79.71</b>	<b>78.25</b>
	<b>CASH AND CASH EQUIVALENTS AS AT CLOSING</b>		<b>58.34</b>	<b>79.71</b>
Note: 1) All figures in brackets are outflows. 2) Previous Year figures have been regrouped wherever necessary. 3) Cash and Cash equivalent consist of Cash on hand and balance with banks as detailed in Note No 11 and 12 to the Balance Sheet.				

As per our report attached

For and on behalf of the Board,

For N. M. RAJJI & CO.,  
Chartered Accountants  
Registration No 108296W

CA. Y. N. Thakkar  
Partner  
Membership No 033329  
Mumbai  
Date:

Tamishka Agarwal  
Company Secretary & Chief Financial Officer

Johnau  
K. Mechase  
Directors

10 MAY 2017

10 MAY 2017

## **Fiora Hypermarket Limited**

### **Notes to the financial statements for the year ended 31st March, 2017**

#### **c) Revenue recognition**

##### **Operating revenues**

Revenue from sale of goods is recognised when goods are delivered and the significant risks and rewards of ownership have been transferred to the buyer or buyer's agents. Revenue from sale of goods is stated net of discounts, returns, applicable taxes and adjustment with respect to accrued loyalty points. Revenue is measured at fair value of the consideration received or receivable.

Other operating revenues are recognised on accrual basis.

Consideration received is allocated between goods sold and customer loyalty points issued, with the consideration allocated to the points equal to their fair value. The fair value of points issued is deferred and recognised as revenue when the points are redeemed.

##### **Income from services**

Revenue from display and sponsorship services, Commission on sales and fees is recognised as when the service is provided to the customer.

##### **Interest income**

Interest income is recognised on an accrual basis using effective interest rate (EIR) method.

##### **Dividends**

Dividend income is recognised when the Company's right to receive the payment is established.

##### **Rental income**

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms, except where escalation in rent is in line with expected general inflation.

#### **d) Taxes on Income**

##### **Current Tax**

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws. 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). 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. Current tax assets and current tax liabilities are offset if a legally enforceable right exists to set off the recognised amounts.

##### **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.

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 the statement of profit and loss (consistent with applicable accounting standards) is recognised outside the statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income 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 income tax liabilities. Company has recognised deferred tax asset to the extent of deferred tax liabilities.

#### **c) Property, plant and equipment**

All items of property, plant and equipment are initially recorded at cost. Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The cost includes the purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use, cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in note (g) below. All other repair and maintenance costs are recognized in the statement of profit or loss as incurred.

Depreciation on tangible assets is provided on "Straight Line Method" in accordance with Ind AS 16 'Property, Plant and Equipment' with useful life as prescribed in Schedule II of the Companies Act, 2013 as below except improvements to leasehold building which are amortised over the period of lease term.

## Fiora Hypermarket Limited

### Notes to the financial statements for the year ended 31st March, 2017

Assets	Useful life in years
Building	60
Plant & Equipment	15
Furniture and Electric Installation	10
Office Equipment	5
Computers /Computer server	3/6

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Statement of profit and loss in the year the asset is de-recognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

#### f) Intangible assets

Intangible assets acquired are initially recorded at cost.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

In case of finite useful lives, following useful life has been considered:

Assets	Useful life in years
Computer software	5

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

#### g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

#### h) Leases

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

A lease is classified at the inception date as a finance lease or an operating lease.

Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rents under operating leases are recognised in the Statement of Profit and Loss on straight line basis, except where escalation in rent is in line with expected general inflation.

Lease arrangements where lessee assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased assets at inception and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

#### i) Inventories

Inventories are valued at the lower of cost on the basis of moving weighted average price or net realisable value.

The cost of inventories includes all cost of purchases, cost of conversion and other related cost incurred to bring the inventories to its present location and condition. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet.

#### j) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is any indication that an asset may be impaired. If any such indication exists the company estimates the asset's recoverable amount and impairment is recognised if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit & Loss.

## **Fiora Hypermarket Limited**

### **Notes to the financial statements for the year ended 31st March, 2017**

#### **k) Provisions**

##### **General**

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. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. The reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain the amount of the receivable can be measured reliably.

##### **Contingencies**

A disclosure for contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### **l) Employee benefits**

The Company participates in various employee benefit plans. Pensions and other post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under defined contribution plan, the Company's only obligation is to pay a fixed amount. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The present value of the defined benefit obligations is calculated by an independent actuary using the projected unit credit method. The Company has the following employee benefit plans:

##### **(i) Contribution to Provident fund, family pension fund, ESIC and Labour welfare fund:**

Company's contributions during the year towards Government administered Provident Fund, Family Pension Fund, ESIC and Labour Welfare Fund are charged to the Profit and Loss statement as incurred.

##### **(ii) Gratuity**

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The gratuity fund is managed by the Life Insurance Corporation of India. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. The Company recognises actuarial gains and losses immediately in other comprehensive income, net of taxes.

##### **(iii) Other retirement benefit**

Provision for other retirement / post retirement benefits in the forms of long term compensated absences (leave encashment) is made on the basis of actuarial valuation.

#### **m) Financial instruments**

##### **i) Financial assets**

##### **Initial recognition and measurement**

All financial assets are recognised initially at fair value (purchase value plus transaction costs that are attributable to the acquisition of the financial asset), amortised cost or at cost. 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 five categories:**

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL)

##### **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit or Loss. The losses arising from impairment are recognised in the Statement of Profit or Loss.

##### **Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

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

## **Fiora Hypermarket Limited**

### **Notes to the financial statements for the year ended 31st March, 2017**

#### **Equity instruments measured at FVTOCI or FVTPL**

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. 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 other comprehensive income (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.

#### **Derecognition**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### **Impairment of financial assets**

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

#### **ii) Non derivative financial liabilities**

Financial liabilities are classified as either "financial liabilities at fair value through profit or loss" or "other financial Liabilities". Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

(a) Financial liabilities are classified as "financial liabilities at fair value through profit or loss" if they are held for trading or if they are designated as financial liabilities at fair value through profit or loss. These are measured initially at fair value with subsequent changes recognized in profit or loss. Fair value is determined as per Ind AS 113 'fair value measurement'.

(b) Other financial liabilities, including loans and borrowing, are initially measured at fair value, inclusive of directly attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the EIR method.

#### **Derecognition of financial liabilities:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### **iii) Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

# **Fiora Hypermarket Limited**

## **Notes to the financial statements for the year ended 31st March, 2017**

### **Note 3**

#### **Significant accounting judgements, estimates and assumptions**

The preparation of the company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

In the process of applying the Company's accounting policies, management has made the following Judgements, estimates and assumptions which have significant effect on the amounts recognised in the financial statements:

**Lease of properties and equipments not in legal form of lease:** Significant judgement is required to apply lease accounting rules under Appendix C to Ind 17: determining whether an arrangement contains a Lease. In assessing the applicability to arrangement entered into by the Company, management has exercised judgement to evaluate the right to use the underlying assets, substance of transaction including legally enforced arrangement and other significant terms and conditions of the arrangement to conclude whether the arrangement meet the criteria under Appendix C to Ind AS 17 'Leases'.

**Escalation in lease rentals:** For recognising the lease rentals on straight line basis, the escalation of lease rentals is considered to be in line with the expected general inflation level.

**Provision for doubtful advances and trade receivables:** The company is not significantly exposed to credit risk as most of the sales is in cash, credit cards or redeemable vouchers issued by others. Similarly receivable on account of conducting fees & rent are secured by security deposit lying with company. Advance to parties are made in normal course of business as per terms and condition of contract. At present, the Company is providing credit loss for trade receivables and advances to parties as required under Ind AS 109 'Financial Instrument' on the basis of ageing of receivables and judgement about recoverability of amount on evaluation of individual receivables.

**Star Power Points:** The company has considered nil breakage for the purpose of calculating defer revenue related to loyalty points.

**Optionally Convertible Non Cumulative redeemable Preference Shares :-** The non-cumulative redeemable preference share is a compound instrument. The liability component is determined as the present value of eventual redemption amount discounted at the rate at which the entity could issue a similar instrument with a similar credit standing but without the feature of discretionary dividends during its life. The residual amount will be treated as the equity component. The unwinding of the discount (between the redemption amount and its present value) on the liability component is accounted for using the effective interest method as an interest expense and reported in the profit or loss. Any discretionary dividends actually declared and paid are treated as relating to the equity component and, therefore, are classified as equity distribution. Hence any future dividend paid will be a charge to equity directly and not Profit and loss.

## **Fiora Hypermarket Limited**

### **Notes to the financial statements for the year ended 31st March, 2017**

#### **Defined benefit plans**

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

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

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. (Refer Note No 36)

#### **Impairment of financial assets**

The impairment provision for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

#### **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions / judgements about these factors could affect the reported fair value of financial instruments.

#### **Taxes:-**

Deferred tax assets are recognised for unused tax losses and tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Deferred tax assets have been recognised based on the likely timing and the level of future taxable profits.



## FIORA HYPERMARKET LIMITED

Notes to the financial statements for the year ended 31st March, 2017

### Note 4

#### Property, plant and equipment

Rs. In Lakhs

Particulars	Buildings	Plant & Equipment	Furniture & Fixures	Office equipment	Computers	Total
<b>Cost:</b>						
As at 1st April 2015	477.96	834.47	629.47	26.99	93.19	2,062.08
Additions	-	0.32	-	-	8.39	8.71
Disposals / Transfers	(145.28)	(155.13)	(148.70)	(3.56)	(21.00)	(473.67)
<b>As at 31st March 2016</b>	<b>332.68</b>	<b>679.66</b>	<b>480.77</b>	<b>23.43</b>	<b>80.58</b>	<b>1,597.12</b>
Additions	-	18.80	0.32	-	2.87	21.99
Disposals / Transfers	(1.93)	(86.39)	(5.69)	-	(0.10)	(94.11)
<b>As at 31st March 2017</b>	<b>330.75</b>	<b>612.07</b>	<b>475.40</b>	<b>23.43</b>	<b>83.35</b>	<b>1,525.00</b>
<b>Accumulated Depreciation:</b>						
As at 1st April 2015	35.11	150.66	133.92	14.13	76.91	410.73
Depreciation charge for the year	26.83	82.33	60.31	9.13	9.78	188.38
Disposals / Transfers	(10.23)	(16.65)	(22.08)	(1.63)	(19.34)	(69.93)
<b>As at 31st March 2016</b>	<b>51.71</b>	<b>216.34</b>	<b>172.15</b>	<b>21.63</b>	<b>67.35</b>	<b>529.18</b>
Depreciation charge for the year	26.01	73.11	57.97	1.47	7.43	165.99
Disposals / Transfers	(0.38)	(28.08)	(4.03)	-	(0.10)	(32.59)
<b>As at 31st March 2017</b>	<b>77.34</b>	<b>261.37</b>	<b>226.09</b>	<b>23.10</b>	<b>74.68</b>	<b>662.58</b>
<b>Impairment Provision</b>						
As at 1st April 2015	136.63	72.45	59.76	1.16	-	270.00
As at 31st March 2016	-	-	-	-	-	-
As at 31st March 2017	-	-	-	-	-	-
<b>Net book value</b>						
As at 1st April 2015	306.22	611.36	435.79	11.70	16.28	1,381.35
As at 31st March 2016	280.97	463.32	308.62	1.80	13.23	1,067.94
<b>As at 31st March 2017</b>	<b>253.41</b>	<b>350.70</b>	<b>249.31</b>	<b>0.33</b>	<b>8.67</b>	<b>862.42</b>

### Note 5

#### Intangible assets

Particulars	Computer software	Total
<b>Cost:</b>		
As at 1st April 2015	27.98	27.98
Additions	46.82	46.82
Disposals / Transfers	(0.55)	(0.55)
<b>As at 31st March 2016</b>	<b>74.25</b>	<b>74.25</b>
Additions	13.04	13.04
Disposals / Transfers	-	-
<b>As at 31st March 2017</b>	<b>87.29</b>	<b>87.29</b>
<b>Accumulated amortisation:</b>		
As at 1st April 2015	2.61	2.61
Amortisation charge for the year	11.71	11.71
Disposals / Transfers	(0.19)	(0.19)
<b>As at 31st March 2016</b>	<b>14.13</b>	<b>14.13</b>
Amortisation charge for the year	17.09	17.09
Disposals / Transfers	-	-
<b>As at 31st March 2017</b>	<b>31.22</b>	<b>31.22</b>
<b>Impairment Provision</b>		
As at 1st April 2015	-	-
As at 31st March 2016	-	-
As at 31st March 2017	-	-
<b>Net book value</b>		
As at 1st April 2015	25.37	25.37
As at 31st March 2016	60.12	60.12
<b>As at 31st March 2017</b>	<b>56.07</b>	<b>56.07</b>

Notes:-

Building leasehold comprises of improvements to leasehold premises.

**FIORA HYPERMARKET LIMITED**

Notes to the financial statements for the year ended 31st March, 2017

**Note 6****Financial Assets - Loans**

Particulars	As at	As at	As at
	31st March 2017	31st March 2016	1st April 2015
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
<b>Unsecured, Considered Good</b>			
(a) Security Deposits for others	11.33	11.57	12.73
(b) Loans to employees	2.91	-	0.28
<b>Total</b>	<b>14.24</b>	<b>11.57</b>	<b>13.01</b>

**Note 7****Other non-current assets**

Particulars	As at	As at	As at
	31st March 2017	31st March 2016	1st April 2015
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
<b>Unsecured, Considered good</b>			
Capital advances	12.96	-	1.84
<b>Total</b>	<b>12.96</b>	<b>-</b>	<b>1.84</b>

**FIORA HYPERMARKET LIMITED**
**Notes to the financial statements for the year ended 31st March, 2017**
**Note 8**
**Inventories**

Particulars	As at	As at	As at
	31st March 2017	31st March 2016	1st April 2015
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
(a) Raw Materials	-	13.96	18.30
(b) Stock in Trade	672.83	656.25	780.44
Add: Stock-in-Transit	22.74	15.87	-
	695.57	672.12	780.44
(c) Packing Materials	9.76	15.39	15.97
(d) Stores & Spares	5.45	3.16	4.60
<b>Total</b>	<b>710.78</b>	<b>704.63</b>	<b>819.31</b>

**Note 9**
**Financial Assets - Investments**

Particulars	As at	As at	As at
	31st March 2017	31st March 2016	1st April 2015
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
<b>Investment in Units of Mutual Fund - At Fair Value (Unquoted &amp; Fully paid)</b>			
TATA Liquid Fund	19.01	204.88	-
TATA Short Growth Fund	562.01	513.52	-
<b>Total</b>	<b>581.02</b>	<b>718.40</b>	<b>-</b>
<b>Aggregate Value of Investment</b>			
Quoted	-	-	-
Unquoted	581.02	718.40	-
<b>Total</b>	<b>581.02</b>	<b>718.40</b>	<b>-</b>

**Note 10**
**Financial Assets - Trade receivables**

Particulars	As at	As at	As at
	31st March 2017	31st March 2016	1st April 2015
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Trade receivables outstanding for a period exceeding six months	42.31	7.23	4.08
Trade receivables other than above	176.45	176.13	248.68
<b>Total Trade receivables</b>	<b>218.76</b>	<b>183.36</b>	<b>252.76</b>
Less :- Provision for doubtful receivables	17.24	-	-
<b>Total</b>	<b>201.52</b>	<b>183.36</b>	<b>252.76</b>
Considered Good - Unsecured	201.52	183.36	252.76
Considered Doubtful -Unsecured	17.24	-	-
	<b>218.76</b>	<b>183.36</b>	<b>252.76</b>

# FIORA HYPERMARKET LIMITED

Notes to the financial statements for the year ended 31st March, 2017

## Note 11

### Financial Assets - Cash and cash equivalents

Particulars	As at	As at	As at
	31st March 2017	31st March 2016	1st April 2015
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
<b>Cash at Banks</b>			
Balances with Banks in :			
- Current Accounts	30.12	61.62	58.02
Cheques, drafts on hand;	-	0.88	-
Cash in hand	11.54	11.41	13.59
<b>Total</b>	<b>41.66</b>	<b>73.91</b>	<b>71.61</b>

Details of specified bank notes (Rs 500 and Rs 1000) held and transacted during the period from 8th November 2016 to 30th December 2016 are as follows.

Particulars	Rs in Lakhs		
	Specified bank notes	Other denomination notes	Total
Closing cash in hand as on 8th November 2016	14.90	2.72	17.62
Add:- Permitted receipts	-	288.42	288.42
Less:- Permitted payments	-	113.52	113.52
Less:- Amount deposited in banks	14.90	169.39	184.29
Closing cash in hand as on 30th December 2016	-	8.23	8.23

## Note 12

### Financial Assets - Other bank balances

Particulars	As at	As at	As at
	31st March 2017	31st March 2016	1st April 2015
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
<b>Other balances</b>			
Credit card slips on hand	16.68	5.80	6.64
<b>Total</b>	<b>16.68</b>	<b>5.80</b>	<b>6.64</b>

## Note 13

### Financial Assets - Loans

Particulars	As at	As at	As at
	31st March 2017	31st March 2016	1st April 2015
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
<b>Unsecured, Considered Good</b>			
(a) Security Deposits for Premises	160.49	160.49	257.72
(b) Security Deposits Others	-	0.35	-
(c) Loans to Employees	0.66	1.50	0.21
<b>Total</b>	<b>161.15</b>	<b>162.34</b>	<b>257.93</b>

**FIORA HYPERMARKET LIMITED**

Notes to the financial statements for the year ended 31st March, 2017

**Note 14****Financial Assets - Other financial assets**

Particulars	As at	As at	As at
	31st March 2017	31st March 2016	1st April 2015
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
<b>Unsecured, Considered Good</b>			
Advances to Staff	0.04	0.02	0.61
Other receivable	0.06	0.05	448.14
<b>Total</b>	<b>0.10</b>	<b>0.07</b>	<b>448.75</b>

**Note 15****Other current assets**

Particulars	As at	As at	As at
	31st March 2017	31st March 2016	1st April 2015
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
<b>Unsecured, Considered good</b>			
Balance recoverable from Government Authorities	1.49	0.82	7.32
Advances to Creditors	140.39	109.71	75.05
Pre-paid Expenses	0.21	0.34	11.94
	142.09	110.87	94.31
<b>Unsecured, Considered doubtful</b>			
Advances to Creditors	1.13	-	-
Less:- Provision for Doubtful Advances	1.13	-	-
	-	-	-
<b>Total</b>	<b>142.09</b>	<b>110.87</b>	<b>94.31</b>

**FIORA HYPERMARKET LIMITED**  
Notes forming part of the Balance Sheet

**Note 16**

**Share capital**

**Authorised share capital**

	Rs. In Lakhs			
	Equity Shares		Preference Shares	
	Number	Amount (Rs)	Number	Amount (Rs)
At 1 April 2015	-	-	-	-
Increase / (decrease) during the period	10,50,000	105.00	4,40,00,000	4,400.00
At 31 March 2016	10,50,000	105.00	4,40,00,000	4,400.00
Increase / (decrease) during the year	73,50,000	735.00	-	-
At 31 March 2017	84,00,000	840.00	4,40,00,000	4,400.00

The above equity & preference shares are held by Trent Limited, the holding company.

**Rights, Preferences and restrictions attached to Equity shares**

Each holder of Equity Shares is entitled to one vote per share. The shareholders have the right to receive interim dividends declared by the Board of Directors and final dividends proposed by the Board of Directors and approved by the shareholders. In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive any of the remaining assets of the company, after distribution of Preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The equity shareholders have all other rights as available to the equity shareholders as per the provisions of Companies Act 2013 read together with the Memorandum of Association and Articles of Association of the company as applicable.

**Rights, Preferences and restrictions attached to Preference Shares**

The Preference Shares shall carry a fixed preference dividend at the rate of 10% p.a on the capital for the time being paid up there on respectively on non cumulative basis. The Preference Shares shall rank for dividend in priority to equity shares for the time being of the company.

The holders of preference share will have an option to convert each preference shares of Rs 10/- each into one equity share of Rs 10/- each. Upon conversion, the equity shares issued to such holders shall rank pari passu in all respect with other equity shares of the company. If any of the holders of preference shares do not exercise the option to convert their preference shares into equity shares, then such outstanding preference shares shall get redeemed at par on expiry of five years from the date of allotment (13th May 2014).

The preference shares shall in case of winding up be entitled to rank, as regards repayment of capital, in priority to equity shares but shall not be entitled to any further participation in profits or assets or surplus funds at any point of time.

During the year, the terms of redemption of these shares were amended to provide for early redemption and these shares were redeemed on 21st March 2017 out of the proceeds of right issue of equity shares made for this purposes.

	Rs in Lakhs	
	Numbers	Amount (Rs)
<b>Issued equity capital</b>		
<b>Equity shares of Rs 10 each issued, subscribed and fully paid</b>		
At 1 April 2015	10,49,880	104.99
Changes during the period	-	-
At 31 March 2016	10,49,880	104.99
Changes during the period	-	-
At 31 March 2016	10,49,880	104.99
Changes during the year	73,49,118	734.91
At 31 March 2017	83,98,998	839.90
<b>Equity component of optionally convertible preference shares of Rs 10 each issued and fully paid</b>		
At 1 April 2015	4,39,94,720	1,667.75
Changes during the period	-	-
At 31 March 2016	4,39,94,720	1,667.75
Changes during the period	-	-
At 31 March 2016	4,39,94,720	1,667.75
Changes during the year	(4,39,94,720)	(1,667.75)
At 31 March 2017	-	-

This note covers the equity component of the issued optionally convertible preference shares. The liability component is reflected in financial liabilities.

**Shares held by holding company**

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
<b>Trent Limited, holding company</b>			
83,98,998 (31 March 2016 - 10,49,880 and on 1 April 2015 - 10,49,880) equity shares of Rs 10 each	839.90	104.99	104.99
Nil (31 March 2016 - 4,39,94,720 and on 1 April 2015 - 4,39,94,720) preference shares of Rs 10 each	-	1,667.75	1,667.75

The details of shareholders holding more than 5 % shares is as under:	As at 31st March 2017		As at 31st March 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Name of the shareholder:- Trent Limited				
Equity Shares of Rs. 10 each fully paid	83,98,998	100%	10,49,880	100%
10 % p.a. Non Cumulative Optionally Convertible Preference Shares of Rs. 10 each	-	-	4,39,94,720	100%

The details of shareholders holding more than 5 % shares is as under:	As at 1st April 2015	
	No. of shares	% holding in the class
Name of the shareholder:- Trent Limited		
Equity Shares of Rs. 10 each fully paid	10,49,880	100%
10 % p.a. Non Cumulative Optionally Convertible Preference Shares of Rs. 10 each	4,39,94,720	100%

As per the records of the Company, including its Register of Shareholders/ Members and other declaration received from Shareholders regarding Beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**Other equity**

	Rs in Lakhs		
	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Surplus in Statement of Profit and Loss	(2,448.64)	(2,775.24)	(2,030.27)
Equity component of optionally convertible preference shares	-	1,667.75	1,667.75
Securities Premium	3,662.60	-	-
Re-measurement gains / (Losses) on defined benefit plans - Other Comprehensive Income	4.58	1.26	-
	1,218.54	(1,106.24)	(362.52)

## FIORA HYPERMARKET LIMITED

Notes to the financial statements for the year ended 31st March, 2017

### Note 17

#### Financial Liabilities - Borrowings

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
<b>Non-current borrowings</b>			
10% Non cumulative optionally convertible preference shares	-	3,268.36	2,971.23
<b>Total</b>	<b>-</b>	<b>3,268.36</b>	<b>2,971.23</b>

Note :- The optionally convertible preference shares were redeemed on 21st March 2017 at face value.

### Note 18

#### Provisions

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
<b>Provision for employe benefits ( Refer Note 36)</b>			
Gratuity	0.29	-	-
Leave encashment	27.28	29.31	36.64
<b>Total</b>	<b>27.57</b>	<b>29.31</b>	<b>36.64</b>

### Note 19

#### Deferred tax liabilities

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
<b>Deferred Tax liabilities</b>			
- Change in fair value of - Investment in Mutual Funds	19.69	6.08	-
- Optionally convertible preference shares - at amortised cost	-	373.98	472.22
	<b>19.69</b>	<b>380.06</b>	<b>472.22</b>
<b>Deferred Tax Assets</b>			
- Customer Loyalty Points	-	2.61	3.23
- Difference in net block of fixed assets	19.69	178.55	209.73
- Business loss	-	0.21	150.09
- Unabsorbed depreciation	-	198.69	109.17
	<b>19.69</b>	<b>380.06</b>	<b>472.22</b>
<b>Net deferred tax asset / (liability)</b>	<b>-</b>	<b>-</b>	<b>-</b>

During the financial year 2016-17, company had recognized deferred tax liability in respect of all taxable temporary differences & deferred tax asset to the extent of deferred tax liability which will have a legally enforceable right to set off against such asset. In view of continuous losses incurred by company and as a matter of prudence, no additional deferred tax asset had been created. (Refer Note 37)

## FIORA HYPERMARKET LIMITED

Notes to the financial statements for the year ended 31st March, 2017

### Note 20

#### Financial Liabilities - Trade payables

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Trade payables (Refer Note no 34 (b))	563.29	638.62	415.68
<b>Total</b>	<b>563.29</b>	<b>638.62</b>	<b>415.68</b>

### Note 21

#### Financial Liabilities - Other financial liabilities

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Creditors for capital expenditure	9.68	5.22	21.15
Security deposits	22.91	14.61	12.25
Employee related liabilities	25.61	38.27	49.19
<b>Total</b>	<b>58.20</b>	<b>58.10</b>	<b>82.59</b>

### Note 22

#### Other current liabilities

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Statutory dues payable	26.93	21.73	29.97
Deferred sales liability (Customer loyalty points)	53.11	39.60	48.85
Other payables	19.89	53.00	20.37
<b>Total</b>	<b>99.93</b>	<b>114.33</b>	<b>99.19</b>

### Note 23

#### Provisions

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Provision for employee benefits.( Refer Note 36)			
(a) Gratuity	10.00	5.70	31.25
(b) Leave encashment	3.98	4.57	5.95
<b>Total</b>	<b>13.98</b>	<b>10.27</b>	<b>37.20</b>



**FIORA HYPERMARKET LIMITED**

Notes to the financial statements for the year ended 31st March, 2017

**Note 24****Revenue from operations**

Particulars	For year ended 31st March 2017		For year ended 31st March 2016
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
Sale of products ( Gross including excise duty)	9,762.34		9,612.71
Less :- VAT / Sales Tax	584.39		572.41
<b>Sale of products (Net)</b>		<b>9,177.95</b>	<b>9,040.30</b>
<b>Other operating revenues</b>			
(a) Display & Sponsorship Income	177.22		237.45
(b) Commission on sales	1.96		2.64
(c) Rent	65.14		39.02
(d) Others	33.26		17.08
<b>Revenue from operations (Gross)</b>		<b>277.58</b>	<b>296.19</b>
Less : Excise Duty		0.09	2.84
<b>Total</b>		<b>9,455.44</b>	<b>9,333.65</b>

**Note 25****Other income**

Particulars	For year ended 31st March 2017	For year ended 31st March 2016
	Rs. in Lakhs	Rs. in Lakhs
<b>Interest income</b>		
Interest on Loans and Advances	1.31	-
<b>Profit on sale of investments</b>	<b>2.63</b>	<b>-</b>
<b>Changes in the fair value of Investments:</b>		
Current Mutual Funds	59.99	18.40
<b>Other non-operating income</b>		
Liabilities/Provisions no Longer Required Written Back	54.06	18.36
<b>Total</b>	<b>117.99</b>	<b>36.76</b>

**FIORA HYPERMARKET LIMITED**

Notes to the financial statements for the year ended 31st March, 2017

**Note 26****Cost of raw materials consumed**

Particulars	For year ended 31st March 2017	For year ended 31st March 2016
	Rs. in Lakhs	Rs. in Lakhs
Opening stock of raw material	13.96	18.30
Add: Purchases	1.72	145.73
Less: Closing Stock	-	13.96
<b>Total</b>	<b>15.68</b>	<b>150.07</b>

**Note 27****Changes in inventories of finished goods & stock in trade**

Particulars	For year ended 31st March 2017	For year ended 31st March 2016
	Rs. in Lakhs	Rs. in Lakhs
Opening stock	656.25	780.44
Add: Stock transfer from raw material	-	-
Less: Closing stock	672.83	656.25
<b>(Increase)/ Decrease</b>	<b>(16.58)</b>	<b>124.19</b>

**Note 28****Employee benefit expenses**

Particulars	For year ended 31st March 2017	For year ended 31st March 2016
	Rs. in Lakhs	Rs. in Lakhs
(a) Salaries, Wages, Bonus, etc.	374.14	460.23
(b) Contribution to Provident Funds	27.59	32.28
(c) Gratuity Expenses	8.30	10.39
(d) Staff Welfare Expenses	17.04	17.09
<b>Total</b>	<b>427.07</b>	<b>519.99</b>

**FIORA HYPERMARKET LIMITED****Notes to the financial statements for the year ended 31st March, 2017****Note 29****Finance cost**

Particulars	For year ended 31st March 2017	For year ended 31st March 2016
	Rs. in Lakhs	Rs. in Lakhs
Interest expense on Optionally Convertible Preference Shares	317.66	297.13
<b>Total</b>	<b>317.66</b>	<b>297.13</b>

**Note 30****Other expenses**

Particulars	For year ended 31st March 2017	For year ended 31st March 2016
	Rs. in Lakhs	Rs. in Lakhs
Packing Materials Consumed	61.06	62.46
Freight and forwarding charges	50.53	84.50
Power and Fuel	206.81	238.86
Repairs and maintenance		
- Building	27.14	24.65
- Machinery	111.57	96.37
- Others	12.70	8.51
Rent	443.42	430.79
Rates and Taxes	43.93	47.82
Insurance	4.25	5.97
Advertisement and Sales Promotion	201.23	159.82
Travelling Expenses	4.04	5.18
Professional and Legal Charges	25.59	14.47
Printing and Stationery	5.90	5.03
Bank Charges	57.01	49.76
Postage, Telegrams and Telephones	12.12	13.22
Directors' Fees	13.72	9.25
Loss on Sale of Fixed Assets Sold (Net)	8.34	-
Bad debts written off	2.01	-
Provision for bad and doubtful debts and advances	18.37	-
General Expenses	186.49	202.97
<b>Total</b>	<b>1,496.23</b>	<b>1,459.63</b>

# FIORA HYPERMARKET LIMITED

Notes to the financial statements for the year ended 31st March, 2017

## Note 31

### Exceptional items

Particulars	For year ended 31st March 2017	For year ended 31st March 2016
	Rs. in Lakhs	Rs. in Lakhs
<b>Expenses</b>		
Provision/(reversal) for Impairment Loss (Refer Note 1 below)	-	(23.65)
Loss on discard of assets ( Refer Note 2 below)	47.13	-
<b>Total</b>	<b>47.13</b>	<b>(23.65)</b>

#### Note:-

1. During the year 2015-16, Company has completed closure activity of one of its store & the loss on fixed assets arising out of such closure has been set off against the impairment provision already created in previous year and the balance provision of impairment has been reversed.
2. During the year, company has discarded assets related to bakery operations.

## Note 32

### Other comprehensive income

Particulars	For year ended 31st March 2017	For year ended 31st March 2016
	Rs. in Lakhs	Rs. in Lakhs
Re-measurement gains/ (Losses) on defined benefit plans	3.32	1.26
<b>Total</b>	<b>3.32</b>	<b>1.26</b>

## **Fiora Hypermarket Limited**

### **Notes to the financial statements for the year ended 31st March, 2017**

#### **Note 33**

#### **Commitments and contingencies**

##### **(a) Operating lease commitments**

###### **Company as lessee**

The company has entered into certain arrangements in the form of operating lease to operate retail business. As per terms of the arrangements, the company has obligation of regular payment for use of property. Some of the arrangements include minimum lock in period clause for regular payment of lease rent or payments of similar nature. Certain arrangements also include renewal and escalation clause as mutually agreed period between the parties.

The Company has paid Rs 443.42 Lakhs during the year towards lease payments ( For 31st March 2016 period ended Rs 430.79 Lakhs)

Future minimum rentals payable under non-cancellable operating leases are Rs Nil ( As at 31st March 2016 Rs Nil and as at 1st April 2015 - Rs Nil)

##### **(b) Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 12.01 Lakhs. (As at 31st March 2016 - Rs Nil and as at 1st April 2015 - Rs 9.43 Lakhs)

##### **(c) Other Commitments**

Other commitments :- Rs Nil (As at 31st march 2016 Rs Nil and 1st April 2015 Rs Nil)

##### **(d) Contingent liabilities**

Contingent Liability for the year :- Rs Nil (As at 31st March 2016 Rs Nil and 1st April 2015 Rs Nil)

(e) Claims against the company not acknowledged as debts :- Rs. Nil (As at 31st March 2016 and as at 1st April 2015 Rs Nil)

## **Fiora Hypermarket Limited**

### **Notes to the financial statements for the year ended 31st March, 2017**

**Note 34:**

**(a). General Expenses include :**

	<b>31 March 2017</b>	<b>31 March 2016</b>
	<b>Rs in lakhs</b>	<b>Rs in lakhs</b>
<b>Auditors' Remuneration (inclusive of service tax)-</b>		
Audit Fees	1.15	0.57
Fees for Taxation matters	0.69	0.57
Other Services	2.66	0.74

(b). There are no Micro and Small Enterprises , to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2017. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company

(c). There are no amounts due and outstanding to be credited to Investor Education and Protection fund as at 31st March 2017 (As on 31st March 2016 Rs Nil and as at 1st April 2015 Rs Nil)

**(d). Details on derivatives instruments and unhedged foreign currency exposures**

(i) There are no forward exchange contract outstanding as at 31 st March, 2017

(ii) There is no unhedged foreign currency exposure as at 31st March, 2017

**(e). Operating Segment**

The company's board/board committee considers retailing as the main business of the entity and all other activities are incidental to the main business. It operates in a single geographical location. Accordingly, there are no other separate reportable segments in terms of Ind AS 108 on "Operating Segments" and thus no further disclosures are made.

**Fiora Hypermarket Limited**  
**Notes to the financial statements for the year ended 31st March, 2017**

**Note 35 . Related party transactions**

**Parties where control exists**

Trent Limited :- Holding Company - 100%

**Other Related parties where Transaction have taken place during the year**

Fiora Services Limited :- Fellow Subsidiary Company

Trent Hypermarket Private Limited:- Common Share holder Trent Limited holding 50% in Trent Hypermarket Pvt Ltd

Fiora Hypermarket Limited Employees Group Gratuity Assurance Scheme :- Employee Gratuity Trust

**Directors/Manager of the Company**

Mr. P. Venkatesalu

Mr. P. K. Anand

Mr. Jairaj Bham (from 27th March 2017)

Ms. Kalpana Merchant (from 27th March 2017)

Mr. S. V. Phene (from 27th March 2015 to 26th March 2017)

Ms. Roselyn Pereira (from 27th March 2015 to 26th March 2017)

**Key Managerial Personnel**

Mr. P.V.Bhat

**Transaction during the year**

**Sales to and Other recoveries from related parties**

a) Holding Company  
Trent Ltd

75.86                      94.31

**Purchase/other services from related parties**

a) Holding Company  
Trent Limited

-                              152.49

b) Others

Fiora Services Limited

29.87                      39.92

Trent Hypermarket Private Limited

1,641.66                      3,453.92

**Issue of Equity Shares with premium to Trent Limited**

4,409.47                      -

**Redemption of Optionally Convertible preference shares held by Trent Limited**

4,399.47                      -

**Contribution to Fiora Hypermarket Limited Employees Group Gratuity Assurance Scheme**

0.84                              0.40

**Fees paid to Directors**

Sitting fees

13.72                              9.25

Consultancy fees

-                                      0.23

**Balance at the end of year**

**Outstanding Receivables**

Trent Limited

7.41                              -                              5.34

Trent Hypermarket Private Limited

48.84                              -                              447.11

Fiora Hypermarket Limited Employees Group Gratuity Assurance scheme

0.06                              0.05

**Outstanding payables**

Trent Limited

-                                      3.00                              -

Trent Hypermarket Private Limited

-                                      77.98                              -

**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances on account of trade receivable, trade payable, other receivable and other payable at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

## Fiara Hypermarket Limited

### Notes to the financial statements for the year ended 31st March, 2017

#### Note 36 :- Employee Benefit Plans

##### (a) Defined Benefit Plan

##### (i) Gratuity benefit (As per Actuarial valuation as on 31st March 2017)

	Rs. In Lakhs	
	31-Mar-17	31-Mar-16
	Gratuity (Fully funded)	Gratuity (Fully funded)
	LIC Administered Trust	LIC Administered Trust
<b>Defined benefit obligation as at 01.04.2016</b>	<b>33.32</b>	<b>31.31</b>
Service cost	8.24	7.87
Net interest expense	2.76	2.49
Benefits paid	(8.78)	(9.20)
Actuarial changes arising from changes in financial assumptions	4.07	3.89
Experience adjustments	(8.88)	(3.04)
<b>Defined benefit obligation as at 31.03.2017</b>	<b>30.73</b>	<b>33.32</b>
<b>Fair value of plan assets as at 01.04.2016</b>	<b>27.62</b>	<b>0.06</b>
Net interest expense	2.70	(0.02)
Benefits paid	(8.78)	(9.20)
Return on plan assets (excluding amounts included in net interest expense)	(1.48)	2.11
Assets acquired / (settled)	-	27.68
Contributions by employer	0.38	6.99
<b>Fair value of plan assets as at 31.03.2017</b>	<b>20.44</b>	<b>27.62</b>
<b>Net Assets and Liabilities recognised in Balance sheet</b>		
Present value of defined benefit obligation	30.73	33.32
Fair value of Plan assets	20.44	27.62
<b>Net Assets and (Liabilities) recognised in Balance sheet</b>	<b>(10.29)</b>	<b>(5.70)</b>
<b>Expenses recognised in Statement of Profit and Loss</b>		
Service cost	8.24	7.87
Net interest expense	0.06	2.52
<b>Expenses recognised in Statement of Profit and Loss</b>	<b>8.30</b>	<b>10.39</b>
<b>Expenses recognised in Other comprehensive income</b>		
<b>Opening amount recognised in other comprehensive income</b>	<b>(1.25)</b>	<b>-</b>
Changes in financial assumptions	4.07	3.89
Return on plan assets (excluding amounts included in net interest expense)	1.48	(2.10)
Experience adjustments	(8.88)	(3.04)
<b>Expenses recognised in Other comprehensive income</b>	<b>(4.58)</b>	<b>(1.25)</b>
<b>The major categories of plan assets as a percentage of total plan</b>	<b>Rs in Lakhs</b>	<b>Rs in Lakhs</b>
Insurer Managed Funds	100%	100%
Others	N.A.	N.A.
Total	100%	100%
<b>Expected Employers Contribution Next Year</b>	<b>10.00</b>	<b>10.00</b>

Method of valuation	Projected Unit Credit Method	Projected Unit Credit Method
<b>Actuarial Assumptions</b>		
Discount Rate	7.60%	8.35%
Expected rate of return on plan assets	7.60%	8.35%
Future salary Increase	8.00%	8.00%
Mortality Table	Indian Assured Lives Mortality (2006-08) Ult Table	Indian Assured Lives Mortality (2006-08) Ult Table
Retirement Age	58 Years / 60 years	58 Years / 60 years



## Fiara Hypermarket Limited

### Notes to the financial statements for the year ended 31st March, 2017

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.

Towards Gratuity, during the previous year the discount rate had changed from 8.05% to 8.35% in LIC administered Trust.

#### Leaving service:

Rates of leaving service at specimen ages are for 21- 44 years is 2% and for 45 years and above is 1%. Leaving service due to disability is included in the provision made for all causes of leaving service.

#### Nature of benefits:

The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

#### Governance of the plan:

The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan.

#### Inherent risks:

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

#### Funding arrangements and policy:

The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively.

There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of under funding of the plan.

#### Maturity profile of defined benefit obligation

	Rs in Lakhs 31-Mar-17	Rs in Lakhs 31-Mar-16
Within 1 year	0.55	0.65
1-2 year	0.60	0.74
2-3 year	0.68	0.83
3-4 year	0.75	0.92
4-5 year	0.82	1.01
5-9 year	3.79	4.92
10 and above 10 year	164.73	206.52

The weighted average duration to the payment of these cash flows is 19.31 years (for previous year - 18.64 years).

#### Sensitivity analysis:

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Impact of increase in 50 bps on DBO  
Impact of decrease in 50 bps on DBO

Period ended 31st March 2017	Period ended 31st March 2016
Discount Rate	Discount Rate
-9.10%	-8.79%
10.26%	9.89%
Salary escalation rate	Salary escalation rate
9.74%	9.57%
-8.73%	-8.60%

Impact of increase in 50 bps on DBO  
Impact of decrease in 50 bps on DBO

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date.

## **Fiora Hypermarket Limited**

### **Notes to the financial statements for the year ended 31st March, 2017**

(ii) Leave Encashment (Long Term Compensated Absences) recognised as expense for the year is Rs. 1.16 Lakhs (For previous year Rs 0.64 Lakhs).

**Method of valuation and actuarial assumptions:**

The Defined Benefit Obligation is calculated taking into account pattern of availment of leave whilst in service and qualifying salary on the date of availment of leave. In respect of encashment of leave, the Defined Benefit Obligation is calculated taking into account all types of decrement and qualifying salary projected up to the assumed date of encashment.

The above disclosure is based on actuarial valuation report. The report considers assumption with respect to discount rate, salary escalation, retirement age, mortality, rates of leaving service, leave availment pattern and disability as mentioned above for gratuity benefit plan.

**(b) Defined Contribution plans**

Company Contributions during the year under Contribution Plans recognised in the Statement of Profit and loss

- 1) Government administered Provident Fund / Family Pension Fund
- 2) Employees State Insurance / Labour Welfare Fund

<b>2016-17</b>	<b>2015-16</b>
<b>Rupees in Lakhs</b>	<b>Rupees in Lakhs</b>
17.21	21.70
9.69	9.75
<b>26.91</b>	<b>31.45</b>

**Fiara Hypermarket Limited**  
**Notes to the financial statements for the year ended 31st March, 2017**

**Note 37: Income Taxes**

In view of the losses incurred, no reconciliation between tax expense and accounting profit has been made.

**Deferred tax:**

Deferred tax relates to the following:

	Balance Sheet 31 March 2017	Profit & Loss 31 March 2017	Balance Sheet 31 March 2016	Profit & Loss 31 March 2016	Balance Sheet 1 April 2015
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
<b>Deferred Tax Liabilities</b>					
Amortisation of Preference Shares	-	373.98	373.98	98.24	472.22
Fair valuation of Investments	19.69	(13.61)	6.08	(6.08)	-
<b>Deferred Tax Assets</b>					
Customer loyalty points	-	(2.61)	2.61	(0.62)	3.23
Unabsorbed depreciation	-	(198.69)	198.69	89.52	109.17
Difference in block of fixed assets	19.69	(158.86)	178.55	(31.18)	209.73
Business loss	-	(0.21)	0.21	(149.88)	150.09
<b>Net deferred tax income / (expenses)</b>		-		-	
<b>Net deferred tax assets/(liabilities)</b>	-		-		-

Reflected in the balance sheet as follows:

	31 March 2017	31 March 2016	1 April 2015
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
Deferred tax assets	19.69	380.06	472.22
Deferred tax liabilities	19.69	380.06	472.22
<b>Deferred tax Liabilities</b>	-	-	-

Deferred tax assets not recognised in the books on following:

	31 March 2017	31 March 2016	1 April 2015
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
Unused business loss	1,001.90	993.45	661.02
Unabsorbed depreciation	804.00	600.93	330.20
Temporary difference in net block of fixed assets	489.11	-	-
Temporary difference on employee benefit plans	13.59	48.18	-
<b>Total</b>	<b>2,308.60</b>	<b>1,642.56</b>	<b>991.22</b>

**Note :-** During the financial year 2016-17, company had recognized deferred tax liability in respect of all taxable temporary differences & deferred tax asset to the extent of deferred tax liability which will have a legally enforceable right to set off against such asset. In view of continuous losses incurred by company and as a matter of prudence, no additional deferred tax asset had been created

**Note 38:- Earnings per share (EPS)**

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on convertible preference shares) by the weighted average number of Equity shares outstanding during the year + the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

	31 March 2017	31 March 2016
<b>Profit attributable to Equity Shareholders (Rs. in Lakhs)</b>	<b>(527.69)</b>	<b>(744.98)</b>
Weighted average number of Equity shares		
(i) For Basic Earning per share	12,71,360	10,49,880
(ii) For diluted Earning per share (After adjustment for all dilutive potential equity shares)	12,71,360	10,49,880

**Fiora Hypermarket Limited**  
**Notes to the financial statements for the year ended 31st March, 2017**

**Note 39**

**Fair value hierarchy**

**Quantitative disclosures fair value measurement hierarchy for assets and liabilities -**

	Rs in Lakhs					
	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Total	Quoted prices in active markets (Level 1)	Total	Quoted prices in active markets (Level 1)	Total	Quoted prices in active markets (Level 1)
<b>Financial assets at amortised cost</b>						
<b>Non-current</b>						
Security Deposit others	11.33		11.57		12.73	
Employee loan	2.91		-		0.28	
<b>Current</b>						
Security Deposit others	-		0.35			
Security Deposit Premises	160.49		160.49		257.72	
Employee loan	0.66		1.50		0.21	
Trade receivable (net of provision)	201.52		183.36		252.76	
Cash and Cash Equivalent	41.66		73.91		71.61	
Other bank balances	16.68		5.80		6.64	
Other financial asset	0.10		0.07		448.75	
<b>Financial Assets measured at fair value through Profit and Loss:</b>						
<b>Current</b>						
Investment in Mutual fund	581.02	581.02	718.40	718.40	-	-
<b>Financial liabilities at amortised cost:</b>						
<b>Non current:</b>						
Borrowings- 10% non cumulative optionally convertible preference shares	-		3,268.36		2,971.23	
<b>Current</b>						
Trade payables	563.29		638.62		415.68	
Other current financial liabilities	58.20		58.10		82.59	

**Note 40**

**Net gain / (losses) recognised in profit and loss on account of :**

	31-Mar-17	31-Mar-16
	Rs in Lakhs	Rs in Lakhs
Financial assets at fair value	59.99	18.40
Additional deferred tax liability impact	(19.83)	(6.08)

**Note 41**

**Financial risk management objectives and policies**

The company's financial risk management is an integral part of how to plan and execute its business strategies. The company's risk management policy is approved by the board.

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 that derive directly from its operations and Investment.

The Company is exposed to market risk, credit risk, liquidity risk etc. The Company's senior management oversees the management of these risks. The Company's senior management is overseen by the board with respect to risks and facilitates appropriate financial risk governance framework for the Company. Financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing key risks, which are summarised below.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk 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, deposits, etc.

The senior management manages market risk which evaluates and exercises control over the entire process of market risk management. The senior management recommends risk management objectives and policies, which are approved by the Board. The activities include management of cash resources, borrowing strategies, etc.

The sensitivity analyses in the following sections relate to the position as at 31st March 2017.

**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. Interest rate change does not affect significantly to short term borrowing and current investment, therefore the Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt.

Since the long term debt in the form of Preference Shares of the Company carries a fixed rate of dividend, the Company's exposure to risk of changes in market interest rates is nil.

**Fiora Hypermarket Limited**  
**Notes to the financial statements for the year ended 31st March, 2017**

**Foreign currency risk**

The company is exposed to foreign currency risk through its purchases of merchandise /receipt of services / reimbursement of expenses from overseas parties in various foreign currencies.

The company evaluates exchange rate exposure arising from foreign currency transactions and since the exposure is not significant, the company do not undertake foreign exchange forward contract to hedge its foreign currency exposure.

**Commodity Price Risk**

The Company is affected by the price volatility of certain commodities such as grocery and vegetables. Its operating activities require the ongoing purchase and sale of products which includes certain commodities significantly exposed to price volatility on account of demand and supply, weather conditions, and government regulation and interventions.

The Company has adopted different measures to mitigate the commodity price risk, such as procuring from farmers, dedicated supply agreements, inventory management.

**Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks, financial institutions and other parties, foreign exchange transactions and other financial instruments.

The company is not exposed to significant concentrations of credit risk as policies are in place to cover retail sales where Collections are primarily made in cash or through credit card payments. The company adopts prudent criteria in its investment policy, the main objectives of which are to reduce the credit risk associated with investment products and the counterparty risk associated with financial institutions. The Company considers the solvency, liquidity, asset quality and management prudence of the counter parties, as well as the performance potential of the counter parties in stressed conditions. In relation to credit risk arising from commercial transactions, impairment losses are recognized for trade receivables when objective evidence exists that the Company will be unable to recover all the outstanding amounts in accordance with the original contractual conditions of the receivables.

**Liquidity risk**

The Company's finance personnel is responsible for liquidity, funding as well settlement management. In addition, the related policies and processes are overseen by senior management. Management monitors the company's net liquidity position through rolling forecast on the basis of expected cash flows.

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

Rs in Lakhs

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
<b>Year ended 31/3/2017</b>						
<b>Borrowings</b>						
Other financial liabilities	58.20	-	-	-	-	58.20
Trade and other payables	333.24	230.05	-	-	-	563.29
<b>T O T A L</b>	<b>391.44</b>	<b>230.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>621.49</b>
<b>Year ended 31/3/2016</b>						
<b>Borrowings</b>						
Borrowings- 10% non cumulative optionally convertible preference shares	-	-	-	3,268.36	-	3,268.36
Other financial liabilities	58.10	-	-	-	-	58.10
Trade and other payables	310.59	328.03	-	-	-	638.62
<b>T O T A L</b>	<b>368.69</b>	<b>328.03</b>	<b>-</b>	<b>3,268.36</b>	<b>-</b>	<b>3,965.08</b>
<b>As on 01/04/2015</b>						
<b>Borrowings</b>						
Borrowings- 10% non cumulative optionally convertible preference shares	-	-	-	2,971.23	-	2,971.23
Other financial liabilities	82.59	-	-	-	-	82.59
Trade and other payables	46.47	369.21	-	-	-	415.68
<b>T O T A L</b>	<b>129.06</b>	<b>369.21</b>	<b>-</b>	<b>2,971.23</b>	<b>-</b>	<b>3,469.50</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 or given set of counter parties.

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

In order to avoid excessive concentrations of risk, the company's policies and procedures include specific guidelines to mitigate these risks.

**Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the company. The primary objectives of the Company's capital management is to maximise the shareholder value while providing stable capital structure that facilitate considered risk taking and pursuit of business growth.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and business opportunities. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, raise/ pay down debt or issue new shares.

**Note 42 - Standards issued but not yet effective**

The standards issued, but not yet effective upto the date of issuance of the Company's financial statements is disclosed below. The Company shall adopt this standard when it becomes effective.

**Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was issued in February 2015 and establishes a five-step model to account for revenue arising from contracts with customer. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. The company is in the process of analysing the impact of the proposed standard. This standard will come into force from accounting period commencing on or after 1st April 2018. The Company will adopt the new standard on the required effective date.

## **Fiora Hypermarket Limited**

### **Notes to the financial statements for the year ended 31st March, 2017**

#### **Note 43 - First time adoption of Ind AS**

The Company has prepared financial statements which comply Ind AS applicable for the period ending as on 31st March 2016 for comparative purpose for the period ending 31st March 2017. In preparing these financial statements, the Companies opening balance sheet was prepared as at 1st April 2015, the Companies date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its IGAAP financial statements, including the balance sheet as at 1st April 2015 and the financial statements for the year ended 31st March 2016.

#### **Exemption availed under IND AS 101 'First time adoption of Indian Accounting Standards'**

**Leases:** Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease in substance or legal form .In accordance with Ind AS 17,this assessment should be carried out at the inception of the contract or arrangement. However, the Company has done the assessment of lease in contracts based on conditions in prevailing as at the date of transition as per transition provision of Ind AS 101.

# Fiora Hypermarket Limited

## Notes to the financial statements for the year ended 31st March, 2017

### Reconciliation of equity as at 1 April 2015

	Rs in Lakhs		
	IGAAP	Adjustments	Ind AS
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	1,381.35	-	1,381.35
Capital work-in-progress	0.32	-	0.32
Intangible assets	25.37	-	25.37
<b>Financial Assets</b>			
Loans	14.85	(1.84)	13.01
Other non-current assets	-	1.84	1.84
	<b>1,421.89</b>	<b>-</b>	<b>1,421.89</b>
<b>Current Assets</b>			
Inventories	819.31	-	819.31
<b>Financial Assets</b>			
(i) Trade receivables	252.76	-	252.76
(ii) Cash and cash equivalents	78.25	(6.64)	71.61
(iii) Bank Balances other than (ii) above	-	6.64	6.64
(iv) Loans	354.69	(96.76)	257.93
(v) Other financial assets	-	448.75	448.75
Current Tax Assets (Net)	-	11.80	11.80
Other current assets	448.14	(363.79)	84.35
	<b>1,953.15</b>	<b>-</b>	<b>1,953.15</b>
<b>Total Assets</b>	<b>3,375.04</b>	<b>-</b>	<b>3,375.04</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	4,504.46	(4,399.47)	104.99
Other Equity	(1,780.99)	1,418.47	(362.52)
	<b>2,723.47</b>	<b>(2,981.00)</b>	<b>(257.53)</b>
<b>Non-current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	-	2,971.23	2,971.23
Provisions	36.64	-	36.64
Deferred tax liabilities (Net)	-	-	-
	<b>36.64</b>	<b>2,971.23</b>	<b>3,007.87</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Trade payables	405.72	-	405.72
(ii) Other financial liabilities	-	82.59	82.59
Other current liabilities	172.01	(72.82)	99.19
Provisions	37.20	-	37.20
	<b>614.93</b>	<b>9.77</b>	<b>624.70</b>
<b>Total liabilities</b>	<b>651.57</b>	<b>2,981.00</b>	<b>3,632.57</b>
<b>Total Equity and Liabilities</b>	<b>3,375.04</b>	<b>-</b>	<b>3,375.04</b>

## Fiora Hypermarket Limited

### Notes to the financial statements for the year ended 31st March, 2017

#### Reconciliation of equity as at 31st March, 2016

	Rs in Lakhs		
	IGAAP	Adjustments	Ind AS
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	1,067.93	0.01	1,067.94
Capital work-in-progress	0.32	-	0.32
Intangible assets	60.12	-	60.12
<b>Financial Assets</b>			
Loans	11.57	-	11.57
	<b>1,139.94</b>	<b>0.01</b>	<b>1,139.95</b>
<b>Current Assets</b>			
Inventories	704.63	-	704.63
<b>Financial Assets</b>			
(i) Investments	700.00	18.40	718.40
(ii) Trade receivables	104.53	78.83	183.36
(iii) Cash and cash equivalents	79.71	(5.80)	73.91
(iv) Bank Balances other than (iii) above	-	5.80	5.80
(v) Loans	289.24	(126.90)	162.34
(vi) Other financial assets	-	0.07	0.07
Current Tax Assets (Net)	-	18.41	18.41
Other current assets	0.05	108.41	108.46
	<b>1,878.16</b>	<b>97.22</b>	<b>1,975.38</b>
<b>Total Assets</b>	<b>3,018.10</b>	<b>97.23</b>	<b>3,115.33</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	4,504.46	(4,399.47)	104.99
Other Equity	(2,247.83)	1,141.59	(1,106.24)
	<b>2,256.63</b>	<b>(3,257.88)</b>	<b>(1,001.25)</b>
<b>Non-current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	-	3,268.36	3,268.36
Provisions	29.31	-	29.31
Deferred tax liabilities (Net)	-	-	-
	<b>29.31</b>	<b>3,268.36</b>	<b>3,297.67</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Trade payables	557.38	78.83	636.21
(ii) Other financial liabilities	-	58.10	58.10
Other current liabilities	164.51	(50.18)	114.33
Provisions	10.27	-	10.27
	<b>732.16</b>	<b>86.75</b>	<b>818.91</b>
<b>Total liabilities</b>	<b>761.47</b>	<b>3,355.11</b>	<b>4,116.58</b>
<b>Total Equity and Liabilities</b>	<b>3,018.10</b>	<b>97.23</b>	<b>3,115.33</b>



## Fiora Hypermarket Limited

### Notes to the financial statements for the year ended 31st March, 2017

#### Reconciliation of total comprehensive income for the year ended 31st March, 2016

Rs in Lakhs

	IGAAP	Adjustments	Ind-AS
<b>Revenues</b>			
Revenue from operations	9,347.63	(13.98)	9,333.65
Other income	18.36	42.05	60.41
<b>Total Revenue (A)</b>	<b>9,365.99</b>	<b>28.07</b>	<b>9,394.06</b>
<b>Expenses</b>			
Cost of material consumed	150.07	-	150.07
Purchases of Stock-in-Trade	7,387.94	-	7,387.94
Changes in inventories of finished goods, Stock-in -Trade and work-in progress	124.19	-	124.19
Employee benefits expense	518.72	1.27	519.99
Finance costs	-	297.13	297.13
Depreciation and amortization expense	200.09	-	200.09
Other expenses	1,475.47	(15.84)	1,459.63
<b>Total expenses (B)</b>	<b>9,856.48</b>	<b>282.56</b>	<b>10,139.04</b>
<b>Profit / (Loss) before exceptional items and tax (A+B)</b>	<b>(490.49)</b>	<b>(254.49)</b>	<b>(744.98)</b>
Exceptional Items income	23.65	(23.65)	-
<b>Profit/(Loss) before tax</b>	<b>(466.84)</b>	<b>(278.14)</b>	<b>(744.98)</b>
<b>Income taxes</b>			
- Current tax	-	-	-
- Deferred tax	-	-	-
<b>Profit (Loss) for the period from continuing operations (C)</b>	<b>(466.84)</b>	<b>(278.14)</b>	<b>(744.98)</b>
Profit/(loss) from discontinued operations	-	-	-
Tax expense of discontinued operations	-	-	-
<b>Profit/(loss) from Discontinued operations (after tax) (D)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit/(loss) for the period (E = C+D)</b>	<b>(466.84)</b>	<b>(278.14)</b>	<b>(744.98)</b>
<b>Other Comprehensive Income / (Loss)</b>			
<b>Items that will not be reclassified to profit or loss</b>		1.26	1.26
Income tax relating to items that will not be reclassified to profit or loss	-	-	-
<b>Items that will be reclassified to profit or loss</b>			
Income tax relating to items that will be reclassified to profit or loss	-	-	-
<b>Other comprehensive income/(loss) for the period, net of tax (F)</b>	<b>-</b>	<b>1.26</b>	<b>1.26</b>
<b>Total Comprehensive Income for the period (E + F)</b>	<b>(466.84)</b>	<b>(276.88)</b>	<b>(743.72)</b>

**FIORA HYPERMARKET LIMITED**
**Cash Flow For The Period Ended 31st March 2016**

Sr. No.	Particulars	As per IGAAP for period ended 31st March 2016	Adjustments	As per Ind AS For period ended 31st March 2016
		Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
	Net Profit/(Loss) before Taxes and Exceptional Items	(490.49)	(278.14)	(768.63)
	Adjustments for :			
	Depreciation	200.09	-	200.09
	Change in fair value of investment	-	(18.40)	(18.40)
	Excess Provision / Liabilities no Longer Required Written Back	(18.36)	-	(18.36)
	Measurement of Defined Benefit Plan	-	1.26	1.26
	Unwinding of interest on Optionally convertible preference shares	-	297.13	297.13
		181.73	279.99	461.72
	<b>Operating Profit Before Working Capital Changes</b>	<b>(308.76)</b>	<b>1.85</b>	<b>(306.91)</b>
	Adjustments for :			
	(Increase) / Decrease in Inventories	114.69	-	114.69
	(Increase) / Decrease in Trade receivable	69.41	-	69.41
	(Increase) / Decrease in loans	73.51	23.52	97.03
	(Increase) / Decrease in other assets	41.90	(15.98)	25.92
	Increase / (Decrease) in Trade payable	249.41	(7.54)	241.87
	Increase / (Decrease) in other liabilities	8.42	(1.85)	6.57
	Increase / (Decrease) in provision	(34.25)	-	(34.25)
		523.09	(1.85)	521.24
	Cash generated from operations	214.33	-	214.33
	Direct Taxes Paid	(6.62)	-	(6.62)
	<b>Net Cash from Operating Activities</b>	<b>207.71</b>	<b>-</b>	<b>207.71</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
	Purchase of property plant and equipment	(69.62)	-	(69.62)
	Sale of property plant and equipment	563.37	-	563.37
	Purchase of investment	(700.00)	-	(700.00)
	<b>Net cash used in Investing Activities</b>	<b>(206.25)</b>	<b>-</b>	<b>(206.25)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	<b>Net cash from Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>1.46</b>	<b>-</b>	<b>1.46</b>
	CASH AND CASH EQUIVALENTS AS AT OPENING	78.25	-	78.25
	<b>CASH AND CASH EQUIVALENTS AS AT CLOSING</b>	<b>79.71</b>	<b>-</b>	<b>79.71</b>

## Fiora Hypermarket Limited

### Notes to the financial statements for the year ended 31st March, 2017

#### Major adjustment carried out while transition from IGAAP to IND AS

**Accounting of Investment in accordance with Ind AS 109:** The company has measured investments (other than investment in subsidiaries) at fair value in accordance with Ind AS 109. Accordingly value of investment has been adjusted as follows while transition from IGAAP to Ind AS .

	Rs in Lakhs		
	Carrying amount under IGAAP	Ind AS 109 Adjustment	Carrying amount under Ind AS
Current Investment	700.00	18.40	718.40

**Accounting for Star Power points :** Under the IGAAP Company was providing for variable cost attributable to unredeemed loyalty points where as under Ind AS Company is required to defer the revenue pertaining to unredeemed point. Consequently provision for Rs 39.08 Lakhs for accrued points on date of transition has been reversed and liability of Rs 48.85 Lakhs has been recognised for the revenue being deferred. The impact of both has been adjusted against retained earnings. For the year ended 31st March 2016, Company has reversed provision for accrued points of Rs 7.40 Lakhs which has been adjusted against advertisement and sales promotion expenses. Further liability on account of deferred revenue amounting to Rs 9.25 Lakhs has been recognised and adjusted against revenue from sale of goods.

**Accounting for Preference Shares :-** Under Ind AS, preference shares are separated into equity & liability components as these are non-cumulative, compulsorily redeemable, optionally convertible in nature. Thus, as on the transition date the preference share capital is reduced by Rs. 2,731.72 lakhs with a corresponding increase in borrowing as liability component. and the residual amount is treated as the equity component of Rs 1,667.75 lakhs . Interest on liability component is recognised using effective interest method. During the financial year interest on liability component using effective interest method charged to profit and loss account is Rs 297.12 lakhs subsequently there is increase in liability component of optionally convertible preference shares. This expense is non-cash in nature hence it will not impact cash flow of the company but will increase in loss for the year.

#### Employee Benefits

Under Ind AS, Rs 1.26 Lakhs has been regrouped from employee benefit expenses to other comprehensive income on account of remeasurement of actuarial gains and losses as on 31st March 2016.

#### Deferred Tax

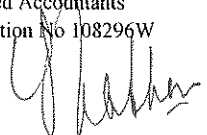
Under Ind AS deferred tax is calculated on various transitional adjustments which lead to temporary differences between the carrying amount of an asset or liability and its tax base. On transition date deferred tax liability of Rs 472.22 Lakhs and deferred tax assets has been created of the same amount. For the year ended 31st March 2016 decrease in deferred tax liability is of Rs 92.16 Lakhs and the deferred tax asset has been decreased by the same amount.

The impact in cashflows is majorly on account of non-cash adjustments and regrouping of assets and liabilities.

All other adjustments are mainly related to classification of assets and liabilities in financial and non financial nature.

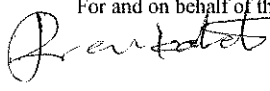

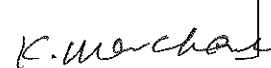
As per our report attached

For N. M. RAJI & CO.,  
Chartered Accountants  
Registration No 108296W

  
CA. Y. N. Thakkar  
Partner  
Membership No 033329  
Mumbai  
Date:

  
Tanishka Agarwal  
Company Secretary & Chief Financial Officer

For and on behalf of the Board,

  
  
  
Directors

10 MAY 2017

10 MAY 2017