
NAHAR RETAIL TRADING SERVICES LIMITED
ANNUAL FINANCIAL STATEMENTS
FY 2017-18

N. M. RAIJI & CO.
Chartered Accountants
Universal Insurance Building,
Pheroza Shah Mehta Road,
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INDEPENDENT AUDITOR'S REPORT

To the Members of Nahar Retail Trading Services Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Nahar Retail Trading Services Limited** (the Company), which comprise the balance sheet as at 31st March 2018 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 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 including other comprehensive income, 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 misstatement, 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 Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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

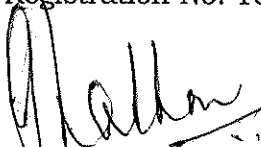
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March, 2018 and its financial performance including other comprehensive income, its cash flows and the 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 & 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 Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015
- e. On the basis of written representations received from the directors, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 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 has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer note no.5(a) 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.

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



CA. Y. N. THAKKAR
Partner
Membership No: 33329

Place: Mumbai
Date: 18th April, 2018

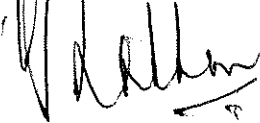
Annexure to the Independent Auditor's report of even date

{Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Nahar Retail Trading Services 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 title deeds of immovable property are held in the name of the Nahar Theatres Private Limited. Nahar Theatres Private Limited has changed its name to Nahar Retail Trading Services Limited;
- ii) The Company does not have any inventory. Accordingly this clause is not applicable;
- 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 neither granted any loans, neither made any investment, nor given any guarantees or security requiring compliance of 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 explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies 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, GST and any other statutory dues with the appropriate authority. 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 at 31st March, 2018 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 or GST that have not been deposited;
- viii) The Company has not defaulted in repayment of loans or borrowings to any financial institutions or banks or government or dues to debenture holders;
- ix) The Company did not raised moneys by way of initial public offer or further public offer (including debt instruments). The term loans were applied for the purposes for which those are raised.
- 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 to the extent applicable, and the details have been disclosed in the Financial Statement as required by the applicable Indian Accounting Standards (Refer Note no.7 (d) 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
Partner
Membership No: 33329

Place: Mumbai
Date: 18th April, 2018

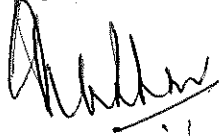
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To

The Board of Directors of Nahar Retail Trading Services Limited

We have audited the standalone Ind AS financial statements of **Nahar Retail Trading Services Limited** for the year ended on **31st March 2018** based on which we certify that the information furnished in the Profit Reconciliation Statement from Indian Accounting Standard (Ind AS) to Indian GAAP (I-GAAP) (enclosed as Annexure I) and Statement of related party transactions (enclosed as Annexure II) prepared by the Company in terms of the requirements of Trent Ltd for the purposes of inclusion in Trent Ltd I-GAAP Consolidated financial information as per the Reporting Package provided by Tata Sons Limited is true and correct.

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



CA. Y. N. THAKKAR
Partner
Membership No: 33329
Place : Mumbai
Date : 18thApril, 2018
Encl : As above

Annexure I

Profit Reconciliation Statement of Nahar Retail Trading Services Limited for the F.Y 2017-18 from I-GAAP to Ind AS.

Reconciliation of profit/(loss)

| Particulars | | Year ended 31.03.2018 |
|--|-------|-----------------------|
| Total comprehensive income under Ind AS | 1 | 9,841,387 |
| Less: Other comprehensive income for the year (net of tax) | 2 | 10,481 |
| Profit/loss for the year as per Ind AS | 3=1-2 | 9,830,906 |
| Adjustments: | | |
| Other Adjustments | | 11,085 |
| Impact of deferred tax on the Ind AS adjustments | | (604) |
| Total effect of conversion to I-GAAP | 4 | 10,481 |
| Profit/(loss) for the year as per I-GAAP | 5=3+4 | 9,841,387 |

Annexure II

Related Party transaction details during the F.Y. 2017-18 with **Nahar Retail Trading Services Limited** as per list of related parties furnished by Tata Sons Ltd in Annexure 5 of their reporting pack.

No Transactions for the year & Nil balances as on 31st March 2018

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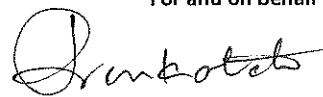
| Particulars | Note No. | Figures as at 31.03.2018 | Figures as at 31.03.2017 |
|---|----------|--------------------------|--------------------------|
| I ASSETS | | | |
| Non-current assets | | | |
| Property, Plant and Equipment | 3.1 | 860.62 | 887.62 |
| Other non-current assets | 3.2 | 106.47 | 115.13 |
| Deferred tax assets (Net) | 3.11 | 27.68 | 20.74 |
| Total Non-Current Assets (A) | | 994.77 | 1,023.48 |
| Current assets | | | |
| (i) Financial Assets | | | |
| (a) Trade receivables | 3.3 | 58.54 | 16.07 |
| (b) Cash and cash equivalents | 3.4 | 16.09 | 18.45 |
| (ii) Current Tax Assets (Net) | 3.5 | 5.36 | 15.56 |
| (iii) Other Current Assets | 3.6 | 2.22 | 2.83 |
| Total Current Assets (B) | | 82.21 | 52.91 |
| TOTAL (A+B) | | 1,076.98 | 1,076.39 |
| II EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share Capital | 3.7 | 19.96 | 19.96 |
| (b) Other Equity | 3.8 | 545.92 | 447.52 |
| Total Equity (C) | | 565.88 | 467.48 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| (i) Financial Liabilities | | | |
| (a) Borrowings | 3.9 | 430.00 | 520.00 |
| (ii) Provisions | 3.10 | 5.76 | 13.74 |
| Total Non Current Liabilities | | 435.76 | 533.74 |
| Current liabilities | | | |
| (i) Financial Liabilities | | | |
| (a) Trade payables | 3.12 | 38.70 | 43.46 |
| (b) Other Financial liabilities | 3.13 | 1.01 | 0.99 |
| (ii) Other Current Liabilities | 3.14 | 8.11 | 3.95 |
| (iii) Provisions | 3.15 | 5.31 | 1.75 |
| (iv) Current tax liabilities (Net) | | 22.21 | 25.02 |
| Total Current Liabilities | | 75.34 | 75.17 |
| Total Liabilities (D) | | 511.10 | 608.91 |
| TOTAL EQUITY & LIABILITIES (C+D) | | 1,076.98 | 1,076.39 |
| Significant accounting policies and notes to accounts | 1-13 | | |

As per our report attached.

For N. M. RAJJI & CO.,
Chartered Accountants
(Registration number 108296W)

C.A. V. N. THAKKAR
Partner
Membership Number: 33329

For and on behalf of the Board,




Directors

Mumbai

Date: 18 APR 2018

Mumbai

Date: 18 APR 2018

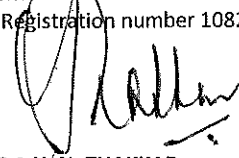
Statement of Profit and loss for the year ended 31st March 2018

(Rupees in Lakhs)

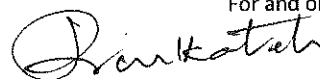
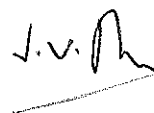
| Particulars | Note No. | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---|----------|-------------------------------|-------------------------------|
| I. Revenue from operations | 4.1 | 512.80 | 456.79 |
| II. Other Income | 4.2 | 4.52 | 9.67 |
| III. Total Revenue | | 517.32 | 466.46 |
| IV. EXPENSES : | | | |
| Employee benefits expense | 4.3 | 205.26 | 215.68 |
| Finance costs | 4.4 | 48.16 | 62.78 |
| Depreciation and amortization expense | 3.1 | 27.35 | 39.28 |
| Other expenses | 4.5 | 121.72 | 102.17 |
| TOTAL EXPENSES | | 402.49 | 419.91 |
| V. Profit before exceptional items and tax | | 114.83 | 46.55 |
| VI. Exceptional items | | - | - |
| VII. Profit before tax | | 114.83 | 46.55 |
| VIII. Tax expense: | | | |
| Current tax | | 29.73 | 16.82 |
| Deferred tax | | (13.20) | (37.52) |
| (Excess)/short provision for tax | | - | - |
| Total Tax Expenses | | 16.53 | (20.70) |
| IX. Profit/(Loss) for the year from continuing operations | | 98.30 | 67.25 |
| X. Other Comprehensive Income | 4.6 | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurements of the net defined benefit Plans | | 0.11 | (0.33) |
| Income Tax on Net Defined Employee Benefit | | (0.01) | 0.09 |
| Total Comprehensive Income for the year | | 98.40 | 67.01 |
| XI. Earnings per equity share (for continuing operation) : | 10 | | |
| (1) Basic | | 4,924.80 | 3,369.24 |
| (2) Diluted | | 4,924.80 | 3,369.24 |
| Significant accounting policies and notes to accounts | 1-13 | | |

As per our report attached.

For N. M. RAJI & CO.,
Chartered Accountants
(Registration number 108296W)


C.A.Y. N. THAKKAR
Partner
Membership Number: 33329
Mumbai
Date: 18 APR 2018

For and on behalf of the Board,

Directors

Mumbai

Date:

18 APR 2018

A) Equity Share Capital

| Particulars | Number | Amount |
|--|--------|--------|
| Equity shares of Rs. 1000 each issued, subscribed and fully paid | | |
| As at 31st March 2016 | 1,996 | 19.96 |
| Issue of share capital | - | - |
| As at 31st March 2017 | 1,996 | 19.96 |
| Issue of share capital | - | - |
| As at 31st March 2018 | 1,996 | 19.96 |

B) Other Equity

| Particulars | Reserves and Surplus | | | Total |
|--|----------------------------|--|--------------------------------------|--------|
| | Capital Redemption Reserve | Retained Earnings surplus in Profit and Loss Account | Remeasurment on Defined Benefit Plan | |
| Balance at 31st March 2016 | 1.00 | 379.11 | 0.40 | 380.51 |
| Total Comprehensive Income for the year (net of tax) | - | 67.25 | (0.24) | 67.01 |
| Balance at 31st March 2017 | 1.00 | 446.36 | 0.16 | 447.52 |
| Total Comprehensive Income for the year (net of tax) | | 98.30 | 0.10 | 98.40 |
| Balance at 31st March 2018 | 1.00 | 544.66 | 0.26 | 545.92 |

CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2018

| SL NO PARTICULARS | 1.4.2017 TO 31.03.2018 | | 1.4.2016 TO 31.03.2017 | |
|--|------------------------|-----------------|------------------------|-----------------|
| | (Rupees Lakhs) | (Rupees Lakhs) | (Rupees Lakhs) | (Rupees Lakhs) |
| A CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit/ (Loss) before Taxes and Exceptional Items | | 114.83 | | 46.55 |
| Adjustments for : | | | | |
| Depreciation | 27.36 | | 39.28 | |
| Amortisation of Leasehold Land | 0.08 | | 0.08 | |
| Finance Income and cost (Net) | 48.16 | | 62.78 | |
| Provision for doubtful debts | 0.26 | | - | |
| Provision for retirement benefits | (4.31) | | 4.23 | |
| | | 71.55 | | 106.38 |
| Operating Profit Before Working Capital Changes | | 186.38 | | 152.93 |
| Adjustments for : | | | | |
| Decrease/(increase) in loans and advances | - | | 0.12 | |
| (Increase)/Decrease in Trade Receivables | (42.73) | | (4.21) | |
| Increase/(Decrease) in Trade Payables | (4.78) | | 3.01 | |
| (Decrease)/increase in other assets | 0.60 | | 0.09 | |
| (Decrease)/increase in other liabilities | 4.18 | | 17.88 | |
| | | (42.73) | | 16.89 |
| Cash generated from operations | | 143.65 | | 169.82 |
| Direct Taxes Paid | | (7.50) | | 38.87 |
| Net Cash from Operating Activities | | 136.15 | | 208.69 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Fixed Assets | (0.35) | (0.35) | (0.21) | (0.21) |
| Net cash (used in)/from Investing Activities | | (0.35) | | (0.21) |
| C CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Repayment of borrowings-Trent Ltd | (90.00) | | (145.00) | |
| Interest paid | (48.16) | | (62.78) | |
| Net cash (used in)/from Financing Activities | | (138.16) | | (207.78) |
| NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) | | (2.36) | | 0.70 |
| OPENING CASH AND CASH EQUIVALENTS (Note 3.4) | | 18.45 | | 17.75 |
| CLOSING CASH AND CASH EQUIVALENTS (Note 3.4) | | 16.09 | | 18.45 |

Notes:

- All figures in brackets are outflows.
- Previous years figures have been regrouped wherever necessary

As per our report attached.

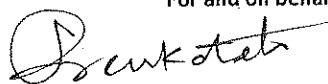
For N. M. RAJJI & CO.,
Chartered Accountants
(Registration number 108296W)

C.A. V. N. THAKKAR
Partner
Membership Number: 33329

Mumbai

Date: 18 APR 2018

For and on behalf of the Board,




Directors

Mumbai

Date: 18 APR 2018

Company information

Nahar Retail Trading Services Limited (The company) is a public limited company domiciled in India and is incorporated under the provisions of the Indian Companies Act, 1956. The registered office of the company is located at 402, Ansal Bhavan, G K Marg, New Delhi. The company is in the process of shifting its registered office to Taj Building, 2nd Floor, 210, D.N.Road, Fort, Mumbai - 400 001.

The company is operating as a franchisee for Trent Ltd. It operates through 'Westside' retail format. Westside – Trent's flagship format offers apparel, footwear and accessories for men, women and children, along with furnishings, decor and a range of home accessories.

1.1 Basis of preparation

The financial statements are prepared on the accrual basis of accounting and in accordance with the Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 and referred under Section 133 of the Companies Act, 2013.

The financial statements were authorised for issue in accordance with a resolution passed by the Board of Directors on 18th April, 2018

These financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value or amortised cost (refer accounting policy regarding financial instruments)

The financial statements are presented in Indian rupees (INR) in Lacs, which is also the Company's functional currency. All values are rounded off to the nearest INR Lacs upto two decimals, except when otherwise indicated.

1.2 Summary of Significant accounting policies

a) Fair value measurement

The Company measures financial instrument at fair value at each balance sheet date.

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 (if level 1 feed is not available/appropriate) — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 (if level 1 and 2 feed is not available/appropriate) — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

b) Revenue recognition**Operating revenues**

Revenue received on rendering of services are recognised on accrual basis.

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.

c) 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 directly in equity is recognised in equity and not in the statement of Profit and loss. 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.

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 .

d) 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 (e) below. All other repair and maintenance costs are recognized in the statement of profit or loss as incurred.

Depreciation on tangible assets is provided 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 property which are amortised over the period of lease term.

In respect of the assets of the retail business on "Straight Line" method.

| Assets | Useful life in years |
|-------------------|----------------------|
| Building | 60 |
| Plant & Equipment | 15 |

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. 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.

e) 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.

f) 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.

g) 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.

h) 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.

Contingent liabilities

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.

i) 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, 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 (LIC). 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 benefit in the form of long term compensated absences (leave encashment) is made on the basis of actuarial valuation.

j) 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 four 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 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.

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".

(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, net 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.

Note 2

Significant accounting judgements, estimates and assumptions

The preparation of the company's 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:

- a) **Lease of properties and equipments not in legal form of 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'. Consequently, the Company has segregated on an estimated basis the total franchisee fees received in terms of the arrangement into the embedded lease component and the service fees component.
- b) **Provision for doubtful advances and trade receivables:** The company is not significantly exposed to credit risk as most of the franchisee fees are receivable from holding company. Similarly recoverables from others for mall maintenance activity are made in normal course of business. Since the amount involved is not material, the Company does not calculate any credit loss for trade receivables and advances to parties as required under IND AS 109 'Financial Instrument' however the company provides for doubtful advances and trade receivables based on its judgement about recoverability of amount.
- c) **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.
- d) **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.
- e) **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.

Note : 3.1

(Rupees in Lakhs)

Property, Plant and Equipment

| Particulars | Buildings | Plant & Equipment | Total |
|---------------------------------|-----------------|-------------------|-----------------|
| As at 31 March 2017 | 1,124.05 | 162.41 | 1,286.46 |
| Additions | - | 0.35 | 0.35 |
| Disposals / Transfers | - | - | - |
| As at 31st March 2018 | 1,124.05 | 162.76 | 1,286.81 |
| Accumulated Depreciation | - | - | |
| As at 31 March 2017 | 248.63 | 150.21 | 398.84 |
| Additions | 18.32 | 9.03 | 27.35 |
| Disposals / Transfers | - | - | - |
| As at 31st March 2018 | 266.95 | 159.24 | 426.19 |
| Net book value | | | |
| At 31st March 2017 | 875.42 | 12.20 | 887.62 |
| At 31st March 2018 | 857.10 | 3.52 | 860.62 |

Notes forming part of the Balance Sheet

Note 3.2

| Other Non Current Assets | As at 31.03.18 | As at 31.03.17 |
|---|-------------------|-------------------|
| Prepaid Lease Rentals | 2.92 | 3.00 |
| Advance Income Taxes - Net Of Provision | 103.55 | 112.13 |
| | 106.47 | 115.13 |

Note 3.3

| Trade Receivables | As at 31.03.18 | As at 31.03.17 |
|------------------------------------|-------------------|-------------------|
| Unsecured | | |
| Considered good | 58.54 | 16.07 |
| Considered doubtful | 0.26 | - |
| Less: Allowance for doubtful debts | (0.26) | - |
| | - | - |
| | 58.54 | 16.07 |

Note 3.4

| Cash and Cash Equivalents | As at 31.03.18 | As at 31.03.17 |
|--|-------------------|-------------------|
| Balances with Scheduled Banks In Current Accounts | 16.09 | 18.45 |
| | 16.09 | 18.45 |

Note 3.5

| Current Taxes Assets (Net) | As at 31.03.18 | As at 31.03.17 |
|---|-------------------|-------------------|
| Advance Income Taxes - Net Of Provision | 5.36 | 15.56 |
| | 5.36 | 15.56 |

Note 3.6

| Other Current Assets | As at 31.03.18 | As at 31.03.17 |
|-----------------------|-------------------|-------------------|
| Prepaid expenses | 2.00 | 1.58 |
| Prepaid Lease Rentals | 0.08 | 0.08 |
| Advance to creditors | 0.14 | 0.06 |
| Taxes recoverable | - | 1.11 |
| | 2.22 | 2.83 |

Note 3.7

(Rupees in Lakhs)

| Share Capital | As at 31.03.18 | As at 31.03.17 |
|--|-------------------|-------------------|
| AUTHORISED : | | |
| 2,000 Equity Shares of Rs. 1000/- each (2016-17 : 2,000 Equity Shares of Rs. 1000/- each) | 20.00 | 20.00 |
| 1,000 9.5 % Preference Shares of Rs. 1000/- each (2016-17 : 1,000 9.5 % Preference Shares of Rs. 1000/- each) | 10.00 | 10.00 |
| | 30.00 | 30.00 |
| ISSUED, SUBSCRIBED AND PAID UP : | | |
| 1,996 Equity Shares of Rs. 1000/- each fully paid up (2016-17 : 1,996 Equity Shares of Rs. 1000/- each fully paid up) | 19.96 | 19.96 |
| | 19.96 | 19.96 |

All the above shares are held by the holding Company - Trent Limited

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.

Reconciliation of Share Capital

| Particulars | As at 31.03.18 | | As at 31.03.17 | |
|---|----------------|-----------------|----------------|-----------------|
| | Number | (Rupees Lakhs) | Number | (Rupees Lakhs) |
| I) Equity Shares | | | | |
| Shares outstanding at the beginning of the year | 1,996 | 19.96 | 1,996 | 19.96 |
| Add: Shares Issued during the year | - | - | - | - |
| Less: Shares bought back/redeemed during the year | - | - | - | - |
| Shares outstanding at the end of the year | 1,996 | 19.96 | 1,996 | 19.96 |

Terms/Rights attached to equity shares

The Company has equity shares having par value of Rs. 1000 per share. 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 dividend 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 right 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.

Note 3.8

| Particulars | As at 31.03.18 | As at 31.03.17 |
|---------------------------------------|-------------------|-------------------|
| OTHER EQUITY | | |
| Other Reserves | | |
| Capital Redemption Reserve | 1.00 | 1.00 |
| | 1.00 | 1.00 |
| Retained Earning | 544.66 | 446.36 |
| Remeasurement of defined benefit plan | 0.36 | 0.25 |
| Income Tax on defined benefit plan | (0.10) | (0.09) |
| | 545.92 | 447.52 |

Note 3.9

| Borrowings | As at 31.03.18 | As at 31.03.17 |
|---|-------------------|-------------------|
| Loans & Advances from related parties: | | |
| Unsecured Loans: | | |
| Trent Limited-Holding Company* | 430.00 | 520.00 |
| | 430.00 | 520.00 |
| | | |

* The Loan taken from Trent Limited, the holding company is @10% p.a.and is repayable after 3 years from 31st March 2018

Note 3.10

| Provisions | As at 31.03.18 | As at 31.03.17 |
|--|-------------------|-------------------|
| Provision for Employee Benefits (Ref Note 8) | 5.76 | 13.74 |
| | 5.76 | 13.74 |
| | | |

Note 3.11

| Deferred Tax Asset (Net) | As at 31.03.18 | As at 31.03.17 |
|----------------------------|-------------------|-------------------|
| Deferred Tax Liability | | |
| Depreciation | 1.75 | 12.50 |
| | 1.75 | 12.50 |
| Less:- Deferred Tax Assets | | |
| Retirement Benefits | 3.08 | 3.31 |
| Other Provisions | 6.66 | 3.98 |
| Mat Credit Outstanding | 19.69 | 25.95 |
| | 29.43 | 33.24 |
| | | |
| | 27.68 | 20.74 |
| | | |

Note 3.12

(Rupees in Lakhs)

| Trade Payables | As at 31.03.18 | As at 31.03.17 |
|---------------------------------|-------------------|-------------------|
| Trade Payables (Ref Note 7 (a)) | 38.70 | 43.46 |
| | 38.70 | 43.46 |
| | | |

Note 3.13

| Other Financial liabilities | As at 31.03.18 | As at 31.03.17 |
|-----------------------------------|-------------------|-------------------|
| Creditors for capital expenditure | 0.45 | 0.45 |
| Security Deposits received | 0.56 | 0.56 |
| | 1.01 | 0.99 |
| | | |

Note 3.14

| Other Current Liabilities | As at 31.03.18 | As at 31.03.17 |
|--|-------------------|-------------------|
| Withholding tax and other Statutory Payments | 8.11 | 3.95 |
| | 8.11 | 3.95 |
| | | |

Note 3.15

| Provisions | As at 31.03.18 | As at 31.03.17 |
|--|-------------------|-------------------|
| Provision for Employee Benefits (Ref Note 8) | 5.31 | 1.75 |
| | 5.31 | 1.75 |
| | | |

(Rupees in lakhs)

Note 4.1

| Revenue From Operations | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|-----------------------------------|----------------------------------|----------------------------------|
| Franchisee fees segregated into | 511.79 | 455.87 |
| - embedded lease (Ref Note 2 (a)) | 120.00 | 120.00 |
| - service fees | 391.79 | 335.87 |
| Other Service Fees | 1.01 | 0.92 |
| | 512.80 | 456.79 |

Note 4.2

| Other Income | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|-------------------------------|----------------------------------|----------------------------------|
| Interest on income tax refund | 4.52 | 9.67 |
| | 4.52 | 9.67 |

Note 4.3

| Employee benefits expense | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---|----------------------------------|----------------------------------|
| Payments to and provisions for employees | | |
| (a) Salaries, Wages, Exgratia, etc. | 173.39 | 189.16 |
| (b) Contribution to Provident and Gratuity Fund, ESIC, etc. | 19.77 | 16.90 |
| (c) Workmen and Staff Welfare Expenses | 12.10 | 9.62 |
| | 205.26 | 215.68 |

Note 4.4

| Finance costs | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---------------------------------------|----------------------------------|----------------------------------|
| Interest on loan from holding company | 48.16 | 62.78 |
| | 48.16 | 62.78 |

Note 4.5

| Other expenses | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---------------------------------------|----------------------------------|----------------------------------|
| (a) Repairs to Building | 9.15 | 8.85 |
| (b) Repairs to Machinery | 0.38 | 0.82 |
| (c) Repairs Others | 0.57 | 0.57 |
| (d) Rates and taxes | 14.21 | 14.17 |
| (e) Insurance | 1.35 | 1.59 |
| (f) Professional and Legal Charges | 14.42 | 4.50 |
| (g) Stationery & Printing | 3.23 | 2.06 |
| (h) Postage, Telegrams and Telephones | 3.40 | 1.42 |
| (i) Cleaning expenses | 23.54 | 22.84 |
| (j) Security expenses | 26.23 | 26.73 |
| (k) General Expenses | 13.33 | 12.28 |
| (l) Freight and forwarding charges | 0.13 | 0.20 |
| (m) Stock loss | 9.52 | 4.13 |
| (n) Director Fees | 2.00 | 2.01 |
| (o) Provision for doubtful debts | 0.26 | - |
| | 121.72 | 102.17 |

Note 4.6

| Other Comprehensive Income | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---|----------------------------------|----------------------------------|
| Items that will not be reclassified to profit or loss | | |
| Remeasurements of the net defined benefit Plans | 0.11 | (0.33) |
| Deferred Tax on Net Defined Employee Benefit | (0.01) | 0.09 |
| | 0.10 | (0.24) |

Note 5
Commitments and contingencies

(a) Contingent liabilities

Contingent Liability in respect of income tax matters is Rs. 26.47 lakhs (As at 31st March 2017: Rs. 234.65 lakhs).

6. General Expenses include :

| | 31 March 2018 Rs. In Lakhs | 31 March 2017 Rs. In Lakhs |
|--|-------------------------------|-------------------------------|
| Auditors' Remuneration (inclusive of service tax) | | |
| Audit Fees | 0.75 | 0.58 |
| Fees for Taxation matters | - | 0.30 |
| Other Services | 1.54 | 1.66 |

7 (a) 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, 2018. 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

7 (b) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at 31st March, 2018 (As at 31st March, 2017 Nil)

7(c) SEGMENT REPORTING

The company's board/board committee considers franchisee operations 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.

7(d) RELATED PARTY TRANSACTIONS:

Related parties are -

Parties where control exists

Holding Company: Trent Limited
[100% of the Share Capital is held by Trent Limited]

Directors of the Company S.V.Phene
P.Venkatesalu
S.W.Kamat

Other Related parties with whom transactions have taken place during the year: **18**
 Fellow Subsidiary - Fiora Services Limited
 Fellow Subsidiary - Fiora Business Support Services Limited
 Post employment benefit plan - Nahar Retail Trading Services Ltd. Employees' Group Gratuity Assurance Scheme.

| | 2017-18 (Rupees Lakhs) | 2016-17 (Rupees Lakhs) |
|--|----------------------------|----------------------------|
| Directors sitting fees | 2.00 | 2.01 |
| Interest paid to | | |
| Holding Company - Trent Limited | 48.16 | 62.78 |
| Sale of services to* | | |
| Holding Company - Trent Limited | 600.00 | 523.94 |
| Other Expenses paid to* | | |
| Holding Company - Trent Limited | 21.95 | 4.13 |
| Fellow Subsidiary - Fiora Services Limited | - | 1.24 |
| Fellow Subsidiary - Fiora Business Support Services Ltd | 1.27 | - |
| Post employment benefit plan - Nahar Retail Trading Services Ltd. Employees' Group Gratuity Assurance Scheme. | 2.83 | 2.62 |
| Recovery of expenses | | |
| Holding Company - Trent Limited | 11.29 | - |
| Reimbursement of expenses | | |
| Holding Company - Trent Limited | 317.76 | - |
| Loan repaid | | |
| Holding Company - Trent Limited | 90.00 | 145.00 |
| Outstanding loan payable as at end of the year to | | |
| Holding Company - Trent Limited | 430.00 | 520.00 |
| Outstanding other balance receivable as at end of the year to | | |
| Holding Company - Trent Limited | 40.63 | 2.37 |

* Including service tax/GST, if applicable

Terms and conditions of transactions with related parties

Terms and conditions of transactions with related parties : The loan, commission and services from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances on account of loans and other payables at the year end are unsecured and interest free (except in case of loans which is interest bearing) and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

(8) Employee Benefit Plans
(i) Defined Benefit Plan
(a) Gratuity benefit (As per Actuarial valuation as on 31st March 2018)

| | 31-Mar-18 Gratuity (Fully funded) LIC Administered Trust | 31-Mar-17 Gratuity (Fully funded) LIC Administered Trust |
|--|--|--|
| Defined benefit obligation as at 31.03.2017 | | |
| Service cost | 6.60 | 5.29 |
| Interest on defined benefit obligation | 2.83 | 2.21 |
| Benefits paid | 0.50 | 0.42 |
| Actuarial changes arising from changes in demographic assumptions | 0.00 | (0.27) |
| Actuarial changes arising from changes in financial assumptions | (0.64) | 0.00 |
| Actuarial loss / (gain) arising on account of experience changes | 0.15 | 0.55 |
| Liabilities assumed / (settled) | 0.21 | (0.34) |
| Defined benefit obligation as at 31.03.2018 | (2.21) | (1.26) |
| | 7.44 | 6.60 |
| Fair value of plan assets as at 31.03.2017 | | |
| Interest on plan assets | 4.12 | 4.33 |
| Benefits paid | 0.39 | 0.35 |
| Actual return | 0.00 | (0.27) |
| Liabilities assumed / (settled) | (0.16) | (0.13) |
| Contributions by employer | (0.85) | (0.67) |
| Fair value of plan assets as at 31.03.2018 | 1.21 | 0.51 |
| | 4.71 | 4.12 |
| Net Assets and Liabilities recognised in Balance sheet | | |
| Present value of funded defined benefit obligation | 7.44 | 6.60 |
| Fair value of Plan assets | 4.71 | 4.12 |
| Fund Status (Surplus / Deficit) | | |
| Net defined Assets and (Liabilities) recognised in Balance sheet | (2.74) | (2.48) |
| Expenses recognised in Statement of Profit and Loss | | |
| Service cost | 2.83 | 2.21 |
| Interest on net defined benefit liability / (asset) | 0.11 | 0.07 |
| Expected return on plan assets | 0.00 | 0.00 |
| Net Actuarial (Gains)/Losses (Net of Opening Actuarial Gain/(Loss) adjustment) | | |
| Amount not recognised due to asset limit | | |
| Expenses recognised in Statement of Profit and Loss | 2.94 | 2.29 |
| Expenses recognised in Other comprehensive Income | | |
| Actual return on plan assets less interest on plan assets | 0.16 | 0.13 |
| Impact of liability assumed or settled | 0.00 | 0.00 |
| Change in demographic assumptions | (0.64) | 0.00 |
| Change in financial assumptions | 0.15 | 0.55 |
| Experience adjustments | 0.21 | (0.34) |
| Expenses recognised in Other comprehensive Income | (0.11) | 0.34 |
| The major categories of plan assets as a percentage of total plan | | |
| Government of India Securities | N.A. | N.A. |
| Corporate Bonds | N.A. | N.A. |
| Special Deposit Scheme | N.A. | N.A. |
| Equity Shares of Listed Companies | N.A. | N.A. |
| Property | N.A. | N.A. |
| Insurer Managed Funds | 1.00 | 1.00 |
| Others | N.A. | N.A. |
| Total | 1.00 | 1.00 |
| Expected Employers Contribution Next Year | 0.00 | 0.00 |
| Method of valuation | Projected Unit Credit Method | Projected Unit Credit Method |
| Actuarial Assumptions | | |
| Discount Rate | 0.07 | 0.08 |
| Expected rate of return on plan assets | | |
| | 0.08 | 0.08 |
| Future salary Increase | 0.07 | 0.07 |
| Mortality Table | Indian Assured Lives Mortality (2006-08) Ult Table | Indian Assured Lives Mortality (2006-08) Ult Table |
| Retirement Age | 58 Years | 58 Years |

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 has reduced from 7.65% to 7.05% in LIC administered Trust and expected rate of return on plan assets has remained at 7.50% 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

| | As at 31-Mar-18 | | As at 31-Mar-17 | |
|----------------------|-----------------|------|-----------------|-------|
| Within 1 year | | 1.80 | | 0.09 |
| 1-2 year | | 1.62 | | 0.14 |
| 2-3 year | | 1.44 | | 0.16 |
| 3-4 year | | 1.25 | | 0.19 |
| 4-5 year | | 0.94 | | 0.21 |
| 5-9 year | | 1.91 | | 0.73 |
| 10 and above 10 year | | 0.87 | | 48.53 |

The weighted average duration to the payment of these cash flows is 3.52 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.

| | Period ended 31.3.2018 | | Period ended 31.3.2017 | |
|------------------------------------|------------------------|--------|------------------------|---------|
| | | | Discount | |
| Impact of Increase in 50bps on DBO | (12,901) | -1.73% | (67,789) | -10.27% |
| Impact of decrease in 50bps on DBO | 13,331 | 1.79% | 77,954 | 11.81% |
| | | | Salary Escalation | |
| Impact of Increase in 50bps on DBO | 13,275 | 1.78% | 78,086 | 11.83% |
| Impact of decrease in 50bps on DBO | (12,967) | -1.74% | (68,449) | -10.37% |

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.

(h) Compensated Absence Liability recognised as expense for the year is Rs. - 3.07 Lakhs (2016-17: Rs. 3.04 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.

(i) Defined Contribution plans

Company's Contributions to Defined Contribution Plans as expense for the year is as under:

| | 2017-18 (Rs Lakhs) | 2016-17 (Rs Lakhs) |
|--|-----------------------|-----------------------|
| Government administered Provident Fund / Family Pension Fund | 8.50 | 7.72 |
| Employees State Insurance Fund / Labour Welfare Fund | 7.98 | 6.47 |

9. Income Taxes

The major components of income tax expense for the years ended 31 March 2018 are:

| | 31 March 2018 | 31 March 2017 |
|--|---------------|----------------|
| | Rs. in Lakhs | Rs. in Lakhs |
| Current income tax charge | 29.73 | 16.82 |
| Deferred tax relating to origination and reversal of temporary differences | (13.20) | (37.52) |
| (Excess)/short provision for tax | - | - |
| Income tax expense reported in the statement of profit or loss | 16.53 | (20.70) |

Income tax relating to other comprehensive income

| | 31 March 2018 | 31 March 2017 |
|--|---------------|---------------|
| | Rs. in Lakhs | Rs. in Lakhs |
| Net loss/(gain) on remeasurements of defined benefit plans | 0.01 | (0.09) |
| Income tax expense charged to OCI | 0.01 | (0.09) |

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2018 :

| | 31 March 2018 | 31 March 2017 |
|--|---------------|----------------|
| | Rs. in Lakhs | Rs. in Lakhs |
| Accounting profit before income tax | 114.94 | 46.22 |
| India's statutory income tax rate | 27.55% | 29.87% |
| Computed tax Expenses | 31.67 | 13.81 |
| Other adjustment as per applicable tax provisions | (15.13) | (34.60) |
| (Excess)/short provision for tax | - | - |
| Income tax expense reported in the statement of profit and loss | 16.54 | (20.79) |

Deferred tax:

Deferred tax relates to the following:

| | Profit & Loss | | Balance Sheet | |
|--|----------------|---------------|----------------|---------------|
| | 31 March 2018 | 31 March 2018 | 31 March 2017 | 31 March 2017 |
| | Rs. in Lakhs | Rs. in Lakhs | Rs. in Lakhs | Rs. in Lakhs |
| Deferred Tax Liabilities | | | | |
| Depreciation | 10.75 | 1.75 | 6.06 | 12.50 |
| Deferred Tax Assets | | | | |
| Retirement Benefits | 0.23 | 3.08 | (0.75) | 3.31 |
| Other Provisions | (2.68) | 6.66 | (1.95) | 3.98 |
| Unabsorbed Depreciation | - | - | 1.13 | - |
| MAT credit entitlement | - | 19.69 | (29.89) | 25.95 |
| Deferred tax expense/(income) | (13.20) | | (37.52) | |
| Net deferred tax assets/(liabilities) | | 27.68 | | 20.74 |

Reflected in the balance sheet as follows:

| | 31 March 2018 | 31 March 2017 |
|---------------------------------|---------------|---------------|
| | Rs. in Lakhs | Rs. in Lakhs |
| Deferred tax assets | 29.43 | 33.24 |
| Deferred tax liabilities | (1.75) | (12.50) |
| Deferred tax assets, net | 27.68 | 20.74 |

10. 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 the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus 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 2018 | 31 March 2017 |
|---|---------------|---------------|
| Profit attributable to Equity Shareholders (Rs. In Lakhs) | 98.30 | 67.25 |
| Weighted average number of Equity shares | | |
| (i) For Basic Earning per share | 1,996 | 1,996 |
| (ii) For diluted Earning per share (after adjustments for all dilutive potential equity shares) | 1,996 | 1,996 |

11 - 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 shall adopt the new standard on the required effective date.

Ind AS 116 Leases

Ind AS 116 introduces single lease accounting module and requires recognition of assets and liabilities for all type of lease with a term of more than 12 months, unless the underlying assets is of low value. The new revenue standard will supersede existing ind AS 17 "Leases". This standard will come into force from accounting period commencing on or after 1st April 2019.

12. Carrying amount for Financials assets and liabilities at fair value or amortised cost as at 31st March 2018:

| Date of valuation | 31 March 2018 Rs. in Lakhs | 31 March 2017 Rs. in Lakhs |
|---|----------------------------------|----------------------------------|
| Financial Assets and Liabilities at fair value | | |
| Financial Assets measured at amortised cost: | | |
| Current: | | |
| Cash and Cash Equivalents | 16.09 | 18.45 |
| Trade receivables | 58.54 | 16.07 |
| Financial liabilities at amortised cost: | | |
| Non current: | | |
| Borrowings | 430.00 | 520.00 |
| Current: | | |
| Trade payables | 38.70 | 43.46 |
| Other current financial liabilities | 1.01 | 0.99 |

Note 13

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 and to provide guarantees to support its operations in select instances. 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 2018.

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 short term borrowings 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 of the Company carries a fixed rate of interest, the Company's exposure to risk of changes in market interest rates is nil.

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, including deposits with banks, financial institutions and other parties and other financial instruments.

The company is not exposed to significant credit risk from its operations as the major source of income is from the holding company. 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

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The Company's senior management is responsible for liquidity, funding as well settlement management. In addition, the related policies and processes are approved by the Board.

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

| | < 1 year | 1 to 5 years | > 5 years | Total |
|-----------------------------|----------|--------------|-----------|--------|
| Year ended 31/3/2017 | | | | |
| Loan from Trent Ltd | | 520.00 | | 520.00 |
| Other financial liabilities | 0.99 | | | 0.99 |
| Trade and other payables | 43.46 | | | 43.46 |
| Other current liabilities | 3.95 | | | 3.95 |
| Year ended 31/3/2018 | | | | |
| Loan from Trent Ltd | | 430.00 | | 430.00 |
| Other financial liabilities | 1.01 | | | 1.01 |
| Trade and other payables | 38.70 | | | 38.70 |
| Other current liabilities | 8.11 | | | 8.11 |

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

| | < 1 year | 1 to 5 years | > 5 years | Total |
|-----------------------------|----------|--------------|-----------|-------|
| Year ended 31/3/2017 | | | | |
| Trade receivables | 16.07 | | | 16.07 |
| Cash and cash equivalents | 18.45 | | | 18.45 |
| Year ended 31/3/2018 | | | | |
| Trade receivables | 58.54 | | | 58.54 |
| Cash and cash equivalents | 16.09 | | | 16.09 |

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 mitigate these risks.

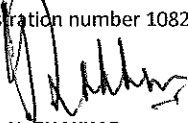
Capital management

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.

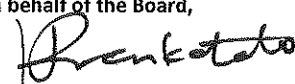
As per our report attached.

For N. M. RAJI & CO.,
Chartered Accountants
(Registration number 108296W)

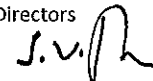


C.A.Y. N. THAKKAR
Partner
Membership Number: 33329

For and on behalf of the Board,



Directors



Mumbai
Date:

3 APR 2018

Mumbai
Date:

3 APR 2018