

7-India Convenience Retail Limited

Financial Statements

2022-23

INDEPENDENT AUDITOR'S REPORT

To The Members of 7-India Convenience Retail Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of 7-India Convenience Retail Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors (i) in planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the 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 financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position
 - 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. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 34 (iii) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 34 (iv) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Pallavi Sharma

Partner

Membership No. 113861

UDIN: 23113861BGXTRS2740

Place: Mumbai

Date: 17th April, 2023

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of 7-India Convenience Retail Limited on the financial statements of the Company for the year ended 31st March, 2023)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of 7-India Convenience Retail Limited (“the Company”) as of 31st March, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company’s internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting

principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note, on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W- 100018)

Pallavi Sharma

Partner

Membership No. 113861

UDIN: 23113861BGXTRS2740

Place: Mumbai

Date: 17th April, 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date of 7-India Convenience Retail Limited on the financial statements of the Company for the year ended 31st March, 2023)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of the property, plant and equipment.
 B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) Some of the Property, Plant and Equipment were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification
- (c) The Company does not have any immovable properties and hence reporting under clause (i)(c) of the Order is not applicable.
- (d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) The Company has made investments in mutual funds (other parties). The Company has not made any investments in companies, firms, Limited Liability Partnerships. The Company has not provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:
 - a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause (iii)(a) of the Order is not applicable.
 - b) The investments made during the year are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
 - c) The Company has not provided any loans or advances in the nature of loans, and hence reporting under clause (iii)(c) of the Order is not applicable.
 - d) According to the information and explanations given to us, the Company has not provided any loans or advances in the nature of loans, and hence reporting under clause (iii)(d) of the Order is not applicable.

- e) No loan or advance in the nature of loan granted by the Company, hence reporting under clause (iii)(e) is not applicable.

According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

- (iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year. We have been informed that the provisions of Sales Tax, Service Tax, duty of Custom, duty of Excise, are not applicable to the Company.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues in arrears as at 31st March, 2023 for a period of more than six months from the date they became payable.
- (b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on 31st March, 2023.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. (Refer Note 34 (v) of financial statements)
- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loan at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for long-term purposes by the company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period from 1st July,2022 to 30th September,2022 and 1st October,2022 to 31st December,2022.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- As represented by the management, the Group does not have any Core Investment Company (CIC) as part of the Group as per the definition of Group contained in Core Investment Companies (Reserve Bank) Directions,2016 and hence the reporting under clause (xvi) (d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses amounting to ₹1,214.07 lakhs in the financial year covered by our audit and ₹ 363.18 lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No. 117366W/W-100018

Pallavi Sharma

Partner

Membership No. 113861

UDIN: 23113861BGXTRS2740

Place: Mumbai

Date: 17th April, 2023

7-India Convenience Retail Limited
Balance Sheet as at 31st March, 2023

		₹ in lakhs	
	Notes	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
Non-Current Assets			
Property, plant and equipment	1	3,075.47	355.69
Intangible assets	1	4,945.70	4,954.77
Capital work-in-progress	1	3,659.01	1,712.41
		11,680.18	7,022.87
Financial assets			
Other financial assets	2	1.50	0.10
Other non-current assets	3	205.23	-
Total Non-Current Assets		11,886.91	7,022.97
Current assets			
Inventories	4	694.16	174.71
Financial assets			
Investments	5	1,891.96	1,062.58
Trade receivables	6	25.62	2.90
Cash and cash equivalents	7	130.91	41.60
Other financial assets	8	795.90	63.07
Other current assets	9	1,719.55	934.41
Total Current Assets		5,258.10	2,279.27
Total Assets		17,145.01	9,302.24
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	4,500.00	4,500.00
Other equity	11	10,382.62	(712.68)
Total Equity		14,882.62	3,787.32
Liabilities			
Non-Current liabilities			
Provisions	12	113.50	40.55
Deferred tax liability (net)	13	413.15	148.96
Total Non-Current Liabilities		526.65	189.51
Current Liabilities			
Financial liabilities			
Trade payables due to :	14		
Micro and small enterprises		21.62	1.98
Other than micro and small enterprises		715.15	206.14
Other financial liabilities	15	360.98	4,400.05
Other current liabilities	16	635.19	716.48
Provisions	17	2.80	0.76
Total Current Liabilities		1,735.74	5,325.41
Total Liabilities		2,262.39	5,514.92
Total Equity and Liabilities		17,145.01	9,302.24

Significant Accounting Policies
See accompanying Notes to the Financial Statements

7-India Convenience Retail Limited

As per our Report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm Registration No. 117366W/W-100018

For and on behalf of the Board

Pallavi Sharma

Partner

Membership No. 113861

Hardeep Singh

Whole-Time Director

DIN: 07383818

Venkatesh Guler

Director

DIN: 02813390

Damodar Mall

Director

DIN:00043330

Date: 17th April, 2023

Abhishek Jalan

Chief Financial Officer

PAN: ACQPJ7802B

Jagruti Shah

Company Secretary

PAN: ADWPD1514B

7-India Convenience Retail Limited

Statement of Profit and Loss for the year ended 31st March, 2023

		₹ in lakhs	
	Notes	1st April 2022 to 31st March 2023	7th April, 2021 to 31st March, 2022
INCOME			
Value of Sales		951.27	63.38
Income from Services		79.93	2.62
Value of Sales and Services (Revenue)		1,031.20	66.00
Less: GST recovered		107.30	6.60
Revenue from Operations	18	923.90	59.40
Other Income	19	327.16	40.59
Total Income		1,251.06	99.99
EXPENSES			
Purchases of Stock-in-Trade		1,243.70	189.93
Changes in Inventories of Stock-in-Trade	20	(438.88)	(136.61)
Employee Benefits Expense	21	694.48	221.60
Finance Costs	22	0.03	0.04
Depreciation and Amortisation Expenses	1	348.27	28.91
Other Expenses	23	1,045.32	170.61
Total Expenses		2,892.92	474.48
Loss before Tax		(1,641.86)	(374.49)
Tax Expenses:			
Deferred Tax	25	263.85	148.96
Loss for the year / period		(1,905.71)	(523.45)
Other Comprehensive Income (OCI)			
(i) Items that will not be reclassified to Profit or loss	19.1	1.35	-
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(0.34)	-
Total Other Comprehensive Income/ (Loss) for the year / period (Net of Tax)		1.01	-
Total Comprehensive Income for the year / period		(1,904.70)	(523.45)
Earnings per Equity Share of face value of ₹ 10 each			
Basic and Diluted (in ₹) (Not annualised for PY)	27	(4.23)	(2.45)
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1 to 36		

7-India Convenience Retail Limited

As per our Report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm Registration No. 117366W/W-100018

For and on behalf of the Board

Pallavi Sharma

Partner

Membership No. 113861

Hardeep Singh

Whole-Time Director

DIN: 07383818

Venkatesh Guler

Director

DIN: 02813390

Damodar Mall

Director

DIN:00043330

Date: 17th April, 2023

Abhishek Jalan

Chief Financial Officer

PAN: ACQPJ7802B

Jagruti Shah

Company Secretary

PAN: ADWPD1514B

7-India Convenience Retail Limited

Statement of changes in equity for the year ended 31st March, 2023

₹ in lakhs				
Balance at the beginning of the period	Changes during the period 7th April, 2021 to 31st March, 2022	Balance as at 31st March, 2022	Changes during the year 1st April, 2022 to 31st March, 2023	Balance as at 31st March, 2023
-	4,500.00	4,500.00	-	4,500.00
₹ in lakhs				
B. Other Equity	Instruments classified as equity	Reserves & Surplus	Other Comprehensive Income	Total
	Zero Coupon Optionally fully convertible debenture of ₹ 10 each fully paid up	Retained Earnings		
Balance at the beginning of the period	-	-	-	-
Share issue expenses	-	(189.23)	-	(189.23)
Total Comprehensive income for the period	-	(523.45)	-	(523.45)
Balance as at 31st March, 2022	-	(712.68)	-	(712.68)
Issue of Debentures	13,000.00	-	-	13,000.00
Total Comprehensive income for the year	-	(1,905.71)	1.01	(1,904.70)
Balance as at 31st March, 2023	13,000.00	(2,618.39)	1.01	10,382.62

Terms of Optionally Fully Convertible Debentures :

For early conversion of 13,00,00,000 Zero Coupon Optionally Fully Convertible Debentures (OFCD) the Company and OFCD holder have an option to convert the OFCD in to equity shares, at any time after allotment of the OFCD by giving one-month notice.

The instrument is convertible into equity share of face value of ₹ 10 each at nominal value or fair value determined as per Rule 11UA of Income Tax Rules, 1962 whichever is higher as on the date of issue of OFCD for every 1 OFCD held. If not converted earlier, the Company will redeem the outstanding OFCD on expiry of 10 years from the date of allotment i.e. May 31,2022.

7-India Convenience Retail Limited

As per our Report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm Registration No. 117366W/W-100018

For and on behalf of the Board

Pallavi Sharma

Partner

Membership No. 113861

Hardeep Singh

Whole-Time Director

DIN: 07383818

Venkatesh Guler

Director

DIN: 02813390

Damodar Mall

Director

DIN:00043330

Date: 17th April, 2023

Abhishek Jalan

Chief Financial Officer

PAN: ACQPJ7802B

Jagruti Shah

Company Secretary

PAN: ADWPD1514B

7-India Convenience Retail Limited

Cash Flow Statement for the year ended 31st March, 2023

	₹ in lakhs	
	1st April, 2022 to 31st March, 2023	7th April, 2021 to 31st March, 2022
A: CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before tax as per Statement of Profit and Loss	(1,641.86)	(374.49)
Adjusted for:		
Loss on sale/ discard of Property, Plant and Equipment (Net)	0.01	-
Depreciation and Amortisation Expenses	348.27	28.91
Net Gain on Financial Assets #	(327.11)	(40.59)
Interest Income	(0.05)	-
Finance Costs	0.03	0.04
	21.15	(11.64)
Operating Loss before Working Capital Changes	(1,620.71)	(386.13)
Adjusted for:		
Trade and Other Receivables	(1,742.03)	(1,000.48)
Inventories	(519.45)	(174.71)
Trade and Other Payables	518.50	971.10
	(1,742.98)	(204.09)
Cash Generated from Operations	(3,363.69)	(590.22)
Taxes Paid (Net)	(5.23)	-
Net Cash Flow used in Operating Activities	(3,368.92)	(590.22)
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Property, Plant and Equipment and Intangible Assets (including CWIP)	(9,042.10)	(2,656.93)
Purchase of Financial Assets #	(12,999.35)	(4,359.78)
Proceeds from Sale of Financial Assets #	12,497.08	3,337.80
Proceeds from disposal of Property, Plant and Equipment and Intangible assets	2.63	-
	(9,541.74)	(3,678.91)
Net Cash Flow used in Investing Activities	(9,541.74)	(3,678.91)
C: CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Debentures	13,000.00	-
Proceeds from issue of Share Capital	-	4,500.00
Share Issue expenses	-	(189.23)
Interest paid	(0.03)	(0.04)
Net Cash Flow From Financing Activities	12,999.97	4,310.73
Net Increase in Cash and Cash Equivalents (A+B+C)	89.31	41.60
Opening Balance of Cash and Cash Equivalents	41.60	-
Closing Balance of Cash and Cash Equivalents (Refer Note "7")	130.91	41.60

Financial assets represent Investment in Mutual Fund

7-India Convenience Retail Limited

As per our Report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm Registration No. 117366W/W-100018

For and on behalf of the Board

Pallavi Sharma

Partner

Membership No. 113861

Hardeep Singh

Whole-Time Director

DIN: 07383818

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Director

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Damodar Mall

Director

DIN:00043330

Date: 17th April, 2023

Abhishek Jalan

Chief Financial Officer

PAN: ACQPJ7802B

Jagruti Shah

Company Secretary

PAN: ADWPD1514B

7-India Convenience Retail Limited**Notes to the Financial Statements for the year ended 31st March, 2023**

A. Corporate Information

7-India Convenience Retail Limited is a public limited Company incorporated in India, having its registered office at 4th floor, Court House, Lokmanya Tilak Marg, Dhobi Talao, Mumbai 400002, India. The Company is a wholly owned subsidiary of Reliance Retail Ventures Limited and its ultimate holding Company is Reliance Industries Limited. The Company is engaged in the business of organised convenience retail.

B. Significant Accounting Policies**B.1 Basis of Preparation and Presentation**

The financial statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

- Certain Financial Assets and Liabilities

The Financial Statements of the Company have been prepared to comply with the Indian Accounting Standards ('Ind AS'), including the Rules notified under the relevant provisions of the Companies Act, 2013.

The Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded to the nearest lakh (₹ 00,000), except when otherwise indicated.

B.2 Summary of Significant Accounting Policies**(a) Current and Non-Current Classification**

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.

An asset is treated as Current when it is -

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when -

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

7-India Convenience Retail Limited**Notes to the Financial Statements for the year ended 31st March, 2023****(b) Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work-in-Progress.

Depreciation on Property, Plant and Equipment is provided on straight line method and based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Asset	Useful Life	Asset	Useful Life
IT equipment	6 years	Furniture and fixtures	10 years
Electrical installations	10 years	Equipment	15 years
Plant and machinery	15 years		

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognised.

(c) Leases

The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

7-India Convenience Retail Limited**Notes to the Financial Statements for the year ended 31st March, 2023****(d) Intangible Assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation / depletion and impairment loss, if any.

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 recognized in the Statement of Profit and Loss when the asset is derecognized.

The Company's intangible assets comprises assets with finite useful life which are amortised on a straight-line basis over the period of their expected useful life. The amortisation period and the amortisation method for Intangible Assets with a finite useful life are reviewed at each reporting date.

Asset	Useful Life
Franchisee Rights	20 years

(e) Cash and Cash Equivalent

Cash and cash equivalents comprise of cash on hand, cash at banks, short term deposits and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Finance Cost

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

(g) Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Costs of inventories are determined on weighted average basis.

(h) Impairment of Non-Financial Assets - Property, Plant and Equipment and Intangible Assets

The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible assets or group of assets, called Cash Generating Units (CGU) may be impaired.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

7-India Convenience Retail Limited**Notes to the Financial Statements for the year ended 31st March, 2023**

(i) Provisions

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(j) Contingent Liabilities

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

(k) Employee Benefits Expense**Short Term Employee Benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits**Defined Contribution Plans**

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme.

The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined Benefit Plans

The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @ 15 days basic salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement gains and losses arising from adjustments and changes in actuarial assumptions are recognised in the period in which they occur in Other Comprehensive Income.

7-India Convenience Retail Limited**Notes to the Financial Statements for the year ended 31st March, 2023**

(l) Tax Expenses

The tax expenses for the period comprises of current tax and Deferred Income Tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

i) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.

ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

(m) Foreign Currencies Transactions and Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

(n) Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangement, because it typically controls the goods or services before transferring them to the customer.

Generally, control is transfer upon delivery of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods delivered.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

7-India Convenience Retail Limited**Notes to the Financial Statements for the year ended 31st March, 2023**

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional. Generally, the credit period varies between 0-90 days from the delivery of goods or services as the case may be.

In case of discounts, rebates, credits, price incentives or similar terms, consideration are determined based on its expected value, which is assessed at each reporting period.

Contract balances**Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Interest Income

Interest Income from a Financial Asset is recognised using effective interest rate method.

Dividend Income

Dividend Income is recognised when the Company's right to receive the amount has been established.

(o) Financial Instruments**i) Financial Assets****A. Initial Recognition and Measurement**

All Financial Assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

B. Subsequent Measurement**a) Financial Assets Measured at Amortised Cost (AC)**

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

b) Financial Assets Measured at Fair Value through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

7-India Convenience Retail Limited**Notes to the Financial Statements for the year ended 31st March, 2023****c) Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)**

A Financial Asset which is not classified in any of the above categories are measured at FVTPL.

Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

C. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'. However, dividend on such equity investments are recognized in Statement of Profit and loss when the Company's right to receive payment is established.

D. Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses "Expected Credit Loss" (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date);

or

- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For Trade Receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ii) Financial Liabilities**A. Initial Recognition and Measurement**

All Financial Liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

7-India Convenience Retail Limited**Notes to the Financial Statements for the year ended 31st March, 2023**

B. Subsequent Measurement

Financial Liabilities are carried at amortized cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii) Derecognition of Financial Instruments

The Company derecognizes a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for derecognition under Ind AS 109. A Financial Liability (or a part of a Financial Liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

iv) Offsetting

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(p) Earnings per share

Basic earnings per share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

C. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the Company's Financial Statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. 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 next financial years.

(a) Depreciation / Amortisation and Useful Life of Property, Plant and Equipment / Intangible Assets

Property, Plant and Equipment / Intangible Assets are depreciated / amortised over their estimated useful life, after taking into account estimated residual value. Management reviews the estimated useful life and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful life and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

(b) Recoverability of Trade Receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non- payment.

7-India Convenience Retail Limited**Notes to the Financial Statements for the year ended 31st March, 2023**

(c) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

(d) Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

(e) Impairment of Financial Assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Industry benchmark in similar line of business, existing market conditions as well as forward looking estimates at the end of each reporting period.

(f) Recognition of Deferred Tax Assets and liabilities

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

(g) Fair Value Measurement

For estimates relating to fair value of financial instruments refer note 30 of financial statements.

(h) Leases

The Company evaluated if an arrangement qualifies to be a lease as per requirements of Ind AS 116. Identification of lease requires significant judgement. Large portion of the Company's leases are cancellable by both lessor and lessee or are arrangements which qualify as variable leases and hence are not considered for recognition of Right of Use Asset and lease liabilities. There are few lease arrangements which are cancellable only at the option of the lessee but have not been considered for recognition of Right of Use Assets and lease liabilities on grounds of materiality and exercisability.

7-India Convenience Retail Limited**Notes to the Financial Statements for the year ended 31st March, 2023**

D. Standards issued but not effective

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to Company from April 1, 2023.

- i. Ind AS 101 – First-time Adoption of Indian Accounting Standards
- ii. Ind AS 102 – Share-based Payment
- iii. Ind AS 103 – Business Combinations
- iv. Ind AS 107 – Financial Instruments Disclosures
- v. Ind AS 109 – Financial Instruments
- vi. Ind AS 115 – Revenue from Contracts with Customers
- vii. Ind AS 1 – Presentation of Financial Statements
- viii. Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- ix. Ind AS 12 – Income Taxes
- x. Ind AS 34 - Interim Financial Reporting

Application of above standards are not expected to have any significant impact on the Company's financial statements.

7-India Convenience Retail Limited

Notes to the Financial Statements for the year ended 31st March, 2023

1. Property, Plant and Equipment, Intangible Assets and Capital Work-In-Progress

₹ in lakhs

Description	Gross block				Depreciation/ amortisation				Net block	
	As at 1st April, 2022	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March, 2023	As at 1st April, 2022	For the year	Deductions/ Adjustments	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
Property, Plant and Equipment										
Own assets:										
Plant and Machinery *	12.94	80.70	-	93.64	0.01	5.38	-	5.39	88.25	12.93
Electrical installations	53.38	611.43	-	664.81	0.01	18.63	-	18.64	646.17	53.37
Equipments @	72.13	1,310.62	1.23	1,381.52	0.01	19.30	0.02	19.29	1,362.23	72.12
Furniture and Fixtures	50.95	306.75	1.47	356.23	0.01	13.85	0.03	13.83	342.40	50.94
Leasehold improvements	166.38	499.38	-	665.76	0.05	29.29	-	29.34	636.42	166.33
Total (i)	355.78	2,808.88	2.70	3,161.96	0.09	86.45	0.05	86.49	3,075.47	355.69
Intangible Assets										
Franchisee rights	4,983.59	★★ 252.75	-	5,236.34	28.82	261.82	-	290.64	4,945.70	4,954.77
Total (ii)	4,983.59	252.75	-	5,236.34	28.82	261.82	-	290.64	4,945.70	4,954.77
Total (i+ii)	5,339.37	3,061.63	2.70	8,398.30	28.91	348.27	0.05	377.13	8,021.17	5,310.46
Previous year	-	5,339.37	-	5,339.37	-	28.91	-	28.91	5,310.46	-
Capital work-in-progress									3,659.01	1,712.41

* Includes IT assets

@ Includes Office equipments

★★ Non recoverable GST paid on Franchisee rights.

1.1 Capital-work-in progress (CWIP) (Refer note 34(ii))

Ageing as at 31st March,2023:

₹ in lakhs

Particular	Amount in CWIP for a period of				Total
	<1 Year	1-2 Years	2-3 Years	>3 Years	
CWIP					
Project in progress	2,476.96	1,182.05	-	-	3,659.01
Projects temporarily suspended	-	-	-	-	-

Ageing as at 31st March,2022:

₹ in lakhs

Particular	Amount in CWIP for a period of				Total
	<1 Year	1-2 Years	2-3 Years	>3 Years	
CWIP					
Project in progress	1,712.41	-	-	-	1,712.41
Projects temporarily suspended	-	-	-	-	-

7-India Convenience Retail Limited

Notes to the Financial Statements for the year ended 31st March, 2023

6.1 Trade Receivables ageing :-

As at 31st March, 2022

₹ in lakhs

Particulars	Outstanding for following periods from due date of payment *						Total
	Not due	< 6 Months	6 months- 1year	1-2 years	2-3 years	>3 years	
(i) Undisputed Trade receivables considered good	2.90	-	-	-	-	-	2.90
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables credit impaired	-	-	-	-	-	-	-
Total	2.90	-	-	-	-	-	2.90

*Net of provision

7. Cash and Cash Equivalents

₹ in lakhs

	As at 31st March, 2023	As at 31st March, 2022
Cash on Hand	6.64	0.66
Balances with Banks (i)	124.27	40.94
Cash and Cash Equivalents as per Balance Sheet	130.91	41.60
Cash and Cash Equivalents as per Statement of Cash Flows	130.91	41.60

(i) Includes deposits ₹ 1.50 lakhs (previous year ₹ Nil) with maturity period of 12 months.

8. Other Financial Assets - Current

₹ in lakhs

	As at 31st March, 2023	As at 31st March, 2022
Deposits	295.85	63.07
Others Receivables	500.05	-
Total	795.90	63.07

9. Other Current Assets

₹ in lakhs

	As at 31st March, 2023	As at 31st March, 2022
(unsecured and considered good)		
Balance with GST and State authorities	1,023.64	879.29
Others ⁽ⁱ⁾	695.91	55.12
Total	1,719.55	934.41

⁽ⁱ⁾ Others Includes prepaid expenses and advance to vendors.

7-India Convenience Retail Limited

Notes to the Financial Statements for the year ended 31st March, 2023

		As at 31st March, 2023	₹ in lakhs As at 31st March, 2022
10. Equity share capital			
Authorised share capital:			
No. of shares			
20,00,00,000	Equity shares of ₹ 10 each	20,000.00	20,000.00
Total		20,000.00	20,000.00
Issued, Subscribed and Paid up:			
No. of shares			
4,50,00,000	Equity shares of ₹ 10 each	4,500.00	4,500.00
Total		4,500.00	4,500.00

(i) The details of Shareholder holding more than 5% shares :

Name of the Shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	% of total shares	No. of Shares	% of total shares
Reliance Retail Ventures Limited (Holding Company including nominees)	4,50,00,000	100	4,50,00,000	100

(ii) Shareholding of Promoter :

As at 31st March, 2023

Class of Equity Share	Promoter's Name	No. of shares at the beginning of the year	change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Fully paid-up equity shares of ₹ 10 each	Reliance Retail Ventures Limited (Holding Company including nominees)	4,50,00,000	-	4,50,00,000	100	-

As at 31st March, 2022

Class of Equity Share	Promoter's Name	No. of shares at the beginning of the period	change during the period	No. of shares at the end of the period	% of total shares	% change during the period
Fully paid-up equity shares of ₹ 10 each	Reliance Retail Ventures Limited (Holding Company including nominees)	-	4,50,00,000	4,50,00,000	100	100

(iii) The reconciliation of number of shares outstanding is set out below:

Particulars	As at 31st March, 2023	As at 31st March, 2022
	No. of shares	No. of shares
Equity shares at the beginning of the year	4,50,00,000	-
Add: Equity shares issued during the year	-	4,50,00,000
Equity shares at the end of the year	4,50,00,000	4,50,00,000

(iv) Rights, Preferences and Restrictions attached to shares:

The Company has only one class of equity shares having face value of ₹ 10 each. The holder of the equity share is entitled to dividend right and voting right in the same proportion as the capital paid-up on such equity share bears to the total paid-up equity share capital of the Company. The dividend proposed, if any, by Board of Directors is subject to approval of the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in the same proportion as the capital paid-up on the equity shares held by them bears to the total paid-up equity share capital of the Company.

		As at 31st March, 2023	₹ in lakhs As at 31st March, 2022
11. Other Equity			
Retained Earnings			
Balance at the beginning of the year		(712.68)	-
Add: Share issue expenses		-	(189.23)
Add: Loss for the year		(1,905.71)	(523.45)
		(2,618.39)	(712.68)
Zero Coupon Optionally Fully Convertible Debentures			
		13,000.00	-
Other Comprehensive Income (OCI)			
As per last Balance Sheet		-	-
Add: Movement in OCI (Net) during the year		1.01	-
		1.01	-
Total		10,382.62	(712.68)

7-India Convenience Retail Limited

Notes to the Financial Statements for the year ended 31st March, 2023

₹ in lakhs

12. Provisions - Non-Current

	As at 31st March, 2023	As at 31st March, 2022
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Provision for employee benefits (Refer Note no 21.1) ⁽ⁱ⁾	113.50	40.55
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Total	113.50	40.55
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⁽ⁱ⁾ The provision for employee benefit includes gratuity and compensated absences.

₹ in lakhs

13. Deferred Tax Liability (Net)

	As at 31st March, 2023	As at 31st March, 2022
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The movement on the deferred tax account is as follows:

At the start of the year	148.96	-
Charge/ (Credit) to Statement of Profit and Loss	263.85	148.96
Charge to Other Comprehensive Income	0.34	-
At the end of year	413.15	148.96

₹ in lakhs

Component of Deferred tax Assets/(Liabilities)	As at 31st March, 2022	(Charge)/Credit to profit or loss during the year	(Charge) to other comprehensive income during the year	As at 31st March, 2023
Deferred tax (liabilities) / asset in relation to:				
Property, plant and equipment	(154.93)	(263.05)	-	(417.98)
Financial assets and others (net)	(4.43)	(20.01)	-	(24.44)
Provisions	10.40	19.21	(0.34)	29.27
	(148.96)	(263.85)	(0.34)	(413.15)

₹ in lakhs

14. Trade Payables due to

	As at 31st March, 2023	As at 31st March, 2022
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Micro and small enterprises	21.62	1.98
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Other than micro and small enterprises	715.15	206.14
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Total	736.77	208.12
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14.1 There are no overdues to Micro, Small and Medium enterprises as at 31st March, 2023.

7-India Convenience Retail Limited

Notes to the Financial Statements for the year ended 31st March, 2023

14.2 Trade Payables ageing :-

₹ in lakhs

As at 31st March, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	<1 years	1-2 years	2-3 years	>3 years	
(i) MSME	21.62	-	-	-	-	21.62
(ii) Others	520.80	194.35	-	-	-	715.15
(iii) Disputed Dues -MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
Total	542.42	194.35	-	-	-	736.77

As at 31st March, 2022

₹ in lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	<1 years	1-2 years	2-3 years	>3 years	
(i) MSME	1.98	-	-	-	-	1.98
(ii) Others	182.95	23.19	-	-	-	206.14
(iii) Disputed Dues -MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
Total	184.93	23.19	-	-	-	208.12

15. Other Financial Liabilities - Current	₹ in lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Creditors for capital expenditure	360.98	4,394.85
Others payables	-	5.20
Total	360.98	4,400.05

16. Other Current Liabilities	₹ in lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Other payables ⁽ⁱ⁾	635.19	716.48
Total	635.19	716.48

⁽ⁱ⁾ Includes statutory liabilities and employee payables

17. Provisions - Current	₹ in lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits (Refer Note no 21.1) ⁽ⁱ⁾	2.80	0.76
Total	2.80	0.76

⁽ⁱ⁾ The provision for employee benefit includes gratuity and Compensated Absences.

7-India Convenience Retail Limited

Notes to the Financial Statements for the year ended 31st March, 2023

18. Revenue from Operations	₹ in lakhs	
	1st April, 2022 to 31st March, 2023	7th April, 2021 to 31st March, 2022
Value of Sales ⁽ⁱ⁾	856.56	56.78
Income from Services ⁽ⁱ⁾	67.34	2.62
Total	923.90	59.40

(i) Net of GST

19. Other Income	₹ in lakhs	
	1st April, 2022 to 31st March, 2023	7th April, 2021 to 31st March, 2022
Interest		
From Bank deposits	0.05	-
Gain on Financial Assets *		
Realised Gain	247.60	22.99
Unrealised Gain	79.51	17.60
Total	327.16	40.59

*Above comprises of Mutual Funds measured at fair value through profit and loss ₹ 327.11 lakhs (previous year ₹ 40.59 lakhs).

19.1 Other Comprehensive Income - Items that will not be reclassified to Profit and loss	₹ in lakhs	
	1st April, 2022 to 31st March, 2023	7th April, 2021 to 31st March, 2022
Remeasurement Gain of Defined Benefit Plan	1.35	-
Total	1.35	-

20. Changes in Inventories of Stock-in-Trade	₹ in lakhs	
	1st April, 2022 to 31st March, 2023	7th April, 2021 to 31st March, 2022
Inventories (at close)		
Stock-in-trade	575.49	136.61
Inventories (at commencement)		
Stock-in-trade	136.61	-
Total	(438.88)	(136.61)

21. Employee Benefits expense	₹ in lakhs	
	1st April, 2022 to 31st March, 2023	7th April, 2021 to 31st March, 2022
Salaries and wages	598.31	189.40
Contribution to provident fund and other funds	65.92	26.86
Staff welfare expenses	30.25	5.34
Total	694.48	221.60

21.1 As per IND AS 19 "Employee Benefits", the disclosures as defined are given below:

Defined Contribution Plan

₹ in lakhs

Contribution to defined contribution plan, recognised as expenses for the period are as under:

Particulars	1st April, 2022 to 31st March, 2023	7th April, 2021 to 31st March, 2022
Employer's contribution to Provident Fund	19.68	6.23
Employer's contribution to Pension Scheme (including New Pension scheme)	5.37	1.04

The Company's Provident Fund is exempted under section 17 of Employee's Provident Fund and Miscellaneous Provisions Act, 1952.

7-India Convenience Retail Limited

Notes to the Financial Statements for the year ended 31st March, 2023

Defined Benefit Plan

The Company operates post retirement benefit plans as follows:

I. Reconciliation of opening and closing balances of defined benefit obligation

Particulars	₹ in lakhs	
	1st April, 2022 to 31st March, 2023	7th April, 2021 to 31st March, 2022
Defined benefit obligation at beginning of the year	19.23	-
Current service cost	37.96	19.23
Interest cost	1.36	-
Actuarial (gain)/ loss	(1.35)	-
Defined benefit obligation at end of the year	57.20	19.23

II. Reconciliation of fair value of obligations

Particulars	₹ in lakhs	
	1st April, 2022 to 31st March, 2023	7th April, 2021 to 31st March, 2022
Present value of obligation	57.20	19.23
Amount recognised in Balance Sheet (surplus / (Deficit))	(57.20)	(19.23)

III. Expenses recognised during the year

Particulars	₹ in lakhs	
	1st April, 2022 to 31st March, 2023	7th April, 2021 to 31st March, 2022
Current service cost	37.96	19.23
Interest cost	1.36	-
Net Cost	39.32	19.23
In Other Comprehensive Income		
Actuarial (Gain) / Loss	(1.35)	-
Net (Income)/ Expense For the year recognised in OCI	(1.35)	-

IV. Actuarial assumptions

Particulars	₹ in lakhs	
	1st April, 2022 to 31st March, 2023	7th April, 2021 to 31st March, 2022
Mortality Table (IALM)	2012-14 (Ultimate)	2012-14 (Ultimate)
Discount rate (per annum)	7.60%	7.09%
Rate of escalation in salary (per annum)	6.00%	6.00%
Rate of employee turnover (per annum)	3.00%	2.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

V. The expected contributions for defined benefit plan for the next financial year will be in line with financial year 2022-23.

VI. Sensitivity analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Particular	₹ in lakhs			
	As at 31st March, 2023		As at 31st March, 2022	
	Decrease	Increase	Decrease	Increase
Change in discounting rate (delta effect of - / + 0.5%)	2.81	3.03	1.12	1.21
Change in rate of salary increase (delta effect of - / + 0.5%)	2.87	3.06	1.13	1.22
Change in rate of employee turnover (delta effect of - / + 0.25%)	0.67	0.65	0.19	0.19

These plans typically expose the Company to actuarial risks such as: longevity risk and salary risk.

Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

7-India Convenience Retail Limited**Notes to the Financial Statements for the year ended 31st March, 2023**

22. Finance Costs	₹ in lakhs	
	1st April, 2022 to 31st March, 2023	7th April, 2021 to 31st March, 2022
Interest expenses (Refer note 31)	0.03	0.04
Total	0.03	0.04

23. Other Expenses	₹ in lakhs	
	1st April, 2022 to 31st March, 2023	7th April, 2021 to 31st March, 2022

Selling and Distribution Expenses

Sales promotion and advertisement expenses	16.49	21.23
Store running expenses	88.26	15.88
Royalty	13.83	1.02
Warehousing and distribution expenses	256.24	29.98
	374.82	68.11

Establishment Expenses

Stores and packing materials	66.34	9.60
Building repairs and maintenance	17.52	0.41
Rent including lease rentals	131.83	12.59
Insurance	16.02	4.37
Rates and taxes	101.06	15.90
Travelling and Conveyance Expenses	7.61	-
Security expenses	6.89	3.90
Professional fees	150.69	32.34
Loss on sale/ discarding of Property, Plant & Equipment (net)	0.01	-
Exchange differences (net)	0.03	8.81
Electricity expenses	152.20	6.60
Hire Charges	6.00	0.92
General expenses	8.30	4.06
	664.50	99.50

Payments to Auditor

Statutory audit fees	6.00	3.00
	6.00	3.00
Total	1,045.32	170.61

23.1 Payment to Auditors as:

	₹ in lakhs	
	1st April, 2022 to 31st March, 2023	7th April, 2021 to 31st March, 2022
(a) Statutory audit fees	6.00	3.00
	6.00	3.00

24. The Company is not required to spend CSR as per Section 135 of the Companies Act, 2013.

7-India Convenience Retail Limited**Notes to the Financial Statements for the year ended 31st March, 2023**

	₹ in lakhs	
25. Taxation Note	1st April, 2022 to 31st March, 2023	7th April, 2021 to 31st March, 2022
Income Tax recognised in Profit or Loss		
Current tax	-	-
Deferred tax	263.85	148.96
Total Income tax expense recognised in the current year relating to continuing operations.	263.85	148.96
The Income tax expenses for the year can be reconciled to the accounting profit as follows:		
	1st April, 2022 to 31st March, 2023	7th April, 2021 to 31st March, 2022
Profit before tax from continuing operations	(1,641.86)	(374.49)
Applicable tax rate	25.168%	25.168%
Computed tax expense	(413.22)	(94.25)
Tax effect of :		
Additional allowances	413.22	94.25
Current Tax Provision (A)	-	-
Incremental Deferred Tax Liability on account of Property, Plant and Equipment and Intangible Assets	263.05	154.93
Incremental Deferred Tax Liability on account of Financial Assets & Other items	0.80	(5.97)
Deferred Tax Provision (B)	263.85	148.96
Tax Expenses recognised in Statement of Profit and Loss (A+B)	263.85	148.96
Effective Tax Rate	-16.07%	-39.78%

26. Segment Information :

The Company is mainly engaged in 'Organised Retail' primarily catering to Indian consumers in various consumption baskets. All the activities of the Company revolve around this main business. Accordingly, the Company has only one identifiable segment reportable under Ind AS 108 "Operating Segment". The chief operational decision maker monitors the operating results of the entity's business for the purpose of making decisions about resource allocation and performance assessment.

7-India Convenience Retail Limited**Notes to the Financial Statements for the year ended 31st March, 2023****27. Earnings per share (EPS)**

	1st April, 2022 to 31st March, 2023	7th April, 2021 to 31st March, 2022
Face Value per Share (₹)	10	10
Basic / Diluted Earnings per Share (₹) *	(4.23)	(2.45)
Net loss after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in lakhs)	(1,905.71)	(523.45)
Weighted average number of equity shares used as denominator for calculating Basic / Diluted EPS	4,50,00,000	2,14,01,365

* Diluted EPS is same as basic EPS, being anti-dilutive

28. Contingent Liabilities and Commitments

There are no contingent liabilities and commitments during the year ended 31st March 2023 and period ended on 31st March 2022

29. Capital Management

The Company adheres to a disciplined Capital Management framework, the pillars of which are as follows:

- Maintain diversity of sources of financing in order to minimise liquidity risk
- Manage financial market risks arising from foreign exchange, interest rates and commodity prices, and minimise the impact of market volatility on earnings.
- Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of Balance Sheet. This framework is adjusted based on underlying macroeconomic factors affecting business environment, financial market conditions and interest rates environment.

Net Gearing Ratio

The Net Gearing Ratio at end of the reporting period was as follows.

Particulars	₹ in lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Gross Debt	-	-
Cash and Marketable Securities*	2,022.87	1,104.18
Net Debt (A)	-	-
Total Equity (As per Balance Sheet) (B)	14,882.62	3,787.32
Net Gearing Ratio (A/B)	-	-

*Cash & Marketable Securities include cash and equivalents of ₹ 130.91 lakhs (previous year ₹ 41.60 lakhs) and current investments of ₹ 1891.96 lakhs (previous year ₹ 1,062.58 lakhs)

7-India Convenience Retail Limited**Notes to the Financial Statements for the year ended 31st March, 2023****30. Financial Instruments****Valuation Methodology**

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

- The fair value of investment in unquoted Mutual Funds is measured at quoted price or NAV.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

A Fair value measurement hierarchy:

₹ in lakhs

Particulars	As at 31st March, 2023				As at 31st March, 2022			
	Carrying Amount	Level of input used in			Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets								
<u>At Amortised Cost</u>								
Trade Receivables	25.62	-	-	-	2.90	-	-	-
Cash and Cash Equivalents	130.91	-	-	-	41.60	-	-	-
Other Financial Assets	797.40	-	-	-	63.17	-	-	-
<u>At FVTPL</u>								
Investments	1,891.96	1,891.96	-	-	1,062.58	1,062.58	-	-
Financial Liabilities								
<u>At Amortised Cost</u>								
Trade payables	736.77	-	-	-	208.12	-	-	-
Other financial liabilities	360.98	-	-	-	4,400.05	-	-	-

The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs based on unobservable market data

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

In the Company's opinion the carrying amount of other financial assets, trade receivables, cash and cash equivalents, other financial liabilities and trade payable recognised in the financial statement approximate their fair values largely due to the short-term maturities of these instruments.

Income Expenses Gains or Losses on Financial Instruments (Refer note 19)

B Financial Risk Management

The Company's risk management is carried out by the Company as per policies approved by the management. The Company identifies, evaluates and mitigates financial risk in close co-operation with its operation team. The Company's overall risk management programme focuses on unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

7-India Convenience Retail Limited**Notes to the Financial Statements for the year ended 31st March, 2023****a) Foreign Currency Risk**

Foreign Currency Risk is the risk that the Fair Value or Future Cash Flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee.

The following table shows foreign currency exposures in USD on financial instruments at the end of the reporting period.

Foreign Currency Exposure

	As at 31st March, 2023		As at 31st March, 2022	
	USD	₹ in lakhs	USD	₹ in lakhs
Trade and other payables	3,422	2.81	885	0.67
	<u>3,422</u>	<u>2.81</u>	<u>885</u>	<u>0.67</u>

Exposure

Sensitivity analysis of 1% change in exchange rate at the end of reporting period

Foreign Currency Sensitivity

	As at 31st March, 2023		As at 31st March, 2022	
	USD	₹ in lakhs	USD	₹ in lakhs
1% Depreciation in INR				
Impact on Profit and Loss	(34.22)	(0.03)	(8.85)	(0.01)
Total	<u>(34.22)</u>	<u>(0.03)</u>	<u>(8.85)</u>	<u>(0.01)</u>

	As at 31st March, 2023		As at 31st March, 2022	
	USD	₹ in lakhs	USD	₹ in lakhs
1% Appreciation in INR				
Impact on Profit and Loss	34.22	0.03	8.85	0.01
Total	<u>34.22</u>	<u>0.03</u>	<u>8.85</u>	<u>0.01</u>

b) Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the Company. Credit risk arises from Company's activities in investments and receivables from customers. The Company ensure that sales of products and services are made to customers with appropriate creditworthiness. Investment and other market exposures are managed against counterparty exposure limits. Credit information is regularly shared between businesses and finance function, with a framework in place to quickly identify and respond to cases of credit deterioration.

The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Credit risk across the Company is actively managed through Letters of Credit, Bank Guarantees, Parent Group Guarantees and advance payments. The Company restricts its fixed income investments in liquid securities carrying high credit rating.

c) Interest Rate Risk

Currently there are no borrowing outstanding as on 31st March 2023 and period ended on 31st March 2022, hence the Company is not exposed to interest rate risk.

d) Liquidity Risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on the due date. The Company maintains sufficient stock of cash, marketable securities and committed credit facilities. The Company accesses global and local financial markets to meet its liquidity requirements. It uses a range of products to ensure efficient funding from across well-diversified markets. Treasury monitors rolling forecasts of the Company's cash flow position and ensures that the Company is able to meet its financial obligation at all times including contingencies.

The Company's liquidity is managed centrally with operating units forecasting their cash and liquidity requirements. Treasury pools the cash surpluses and arranges to either fund the net deficit or invest the net surplus in a range of short-dated, secure and liquid instruments including short-term bank deposits and similar instruments. The portfolio of these investments is diversified to avoid concentration risk in any one instrument or counterparty.

7-India Convenience Retail Limited

Notes to the Financial Statements for the year ended 31st March, 2023

31. Related Parties Disclosures

As per Ind AS 24, the disclosures of transactions with the Related Parties are given below :

(i) List of Related Parties with whom transactions have taken place and relationships:

Sr No	Name of the Related Parties	Relationship
1	Reliance Retail Ventures Limited	} Holding Company
2	Reliance Retail Limited	}
3	Reliance Projects & Property Management Services Limited	}
4	Reliance SMSL Limited	}
5	Reliance Jio Infocomm Limited	} Fellow Subsidiaries
6	Reliance Corporate IT Park Limited	}
7	Jio Things Limited	}
8	Reliance Progressive Traders Private Limited	}
9	Hardeep Singh	}
10	Abhishek Jalan w.e.f 19.07.22	} Key Managerial Personnel
11	Naveen Maheshwari upto 11.07.22	}
12	Jagruti Shah	}

(ii) Transactions during the year with Related Parties (excluding reimbursements):

₹ in lakhs

Sr No	Nature of transactions	Holding Company	Fellow Subsidiaries	Key Managerial Personnel	Total
1	Equity share capital	-	-	-	-
		<i>4,500.00</i>	-	-	<i>4,500.00</i>
2	Inter corporate deposits taken	46.00	-	-	46.00
		<i>215.00</i>	-	-	<i>215.00</i>
3	Inter corporate deposits repaid	46.00	-	-	46.00
		<i>215.00</i>	-	-	<i>215.00</i>
4	Issue of Optionally Fully Convertible Debentures (OFCD)	13,000.00	-	-	13,000.00
		-	-	-	-
5	Purchases of stock-in-trade	-	513.90	-	513.90
		-	<i>149.49</i>	-	<i>149.49</i>
6	Store running expenses	-	88.09	-	88.09
		-	<i>8.50</i>	-	<i>8.50</i>
7	Interest expenses	0.03	-	-	0.03
		<i>0.04</i>	-	-	<i>0.04</i>
8	Staff welfare expenses	-	-	-	-
		-	<i>0.35</i>	-	<i>0.35</i>
9	Electricity expenses	-	20.75	-	20.75
		-	-	-	-
10	Rent expenses	-	2.33	-	2.33
		-	-	-	-
11	Purchase of Property, plant and equipment and Intangible assets	-	1,738.93	-	1,738.93
		<i>3,795.00</i>	<i>269.46</i>	-	<i>4,064.46</i>
12	Disposal of Property, plant and equipment and Intangible assets	-	2.62	-	2.62
		-	-	-	-
13	General expenses	-	9.96	-	9.96
		-	<i>0.61</i>	-	<i>0.61</i>
14	Payment to Key Managerial Personnel/Relative *	-	-	450.98	450.98
		-	-	<i>62.56</i>	<i>62.56</i>

* Relationships established during the year and also include employee contribution

Balance as at 31st March, 2023

1	Equity share capital	4,500.00	-	-	4,500.00
		<i>4,500.00</i>	-	-	<i>4,500.00</i>
2	Issue of Optionally Fully Convertible Debentures (OFCD)	13,000.00	-	-	13,000.00
		-	-	-	-
3	Trade payables	-	94.48	-	94.48
		-	<i>9.23</i>	-	<i>9.23</i>
4	Creditors for capital expenditure	-	360.98	-	360.98
		<i>4,098.60</i>	<i>291.56</i>	-	<i>4,390.16</i>
5	Deposit	-	2.08	-	2.08
		-	<i>0.05</i>	-	<i>0.05</i>

Figures in *italics* represents previous year's amounts.

7-India Convenience Retail Limited

Notes to the Financial Statements for the year ended 31st March, 2023

(iii) Disclosure in respect of major Related Party transactions during the year:

₹ in lakhs

Particulars	Relationship	1st April, 2022 to 31st March, 2023	7th April, 2021 to 31st March, 2022
1 Equity share capital			
Reliance Retail Ventures Limited	Holding Company	-	4,500.00
2 Inter corporate deposits taken			
Reliance Retail Ventures Limited	Holding Company	46.00	215.00
3 Inter corporate deposits repaid			
Reliance Retail Ventures Limited	Holding Company	46.00	215.00
4 Issue of Optionally Fully Convertible Debentures (OFCD)			
Reliance Retail Ventures Limited	Holding Company	13,000.00	-
5 Purchases of stock-in-trade			
Reliance Retail Limited	Fellow Subsidiaries	513.90	149.49
6 Interest expenses			
Reliance Retail Ventures Limited	Holding Company	0.03	0.04
7 Store running expenses			
Reliance SMSL Limited	Fellow Subsidiaries	88.09	8.50
8 Purchase of Property, plant and equipment and Intangible assets			
Reliance Projects & Property Management Services Limited	Fellow Subsidiaries	1,607.05	248.75
Reliance SMSL Limited	Fellow Subsidiaries	131.88	20.71
Reliance Retail Ventures Limited	Holding Company	-	3,795.00
9 Disposal of Property, plant and equipment and Intangible assets			
Reliance Corporate IT Park Limited	Fellow Subsidiaries	2.62	-
10 Electricity expenses			
Reliance Projects & Property Management Services Limited	Fellow Subsidiary	19.93	-
Reliance Progressive Traders Private Limited	Fellow Subsidiary	0.82	-
11 Rent expenses			
Reliance Projects & Property Management Services Limited	Fellow Subsidiary	2.26	-
Reliance Progressive Traders Private Limited	Fellow Subsidiary	0.07	-
12 General expenses			
Reliance Retail Limited	Fellow Subsidiary	-	0.24
Reliance Jio Infocomm Limited	Fellow Subsidiary	8.99	0.37
Jio Things Limited	Fellow Subsidiary	0.97	-
13 Staff welfare expenses			
Reliance Retail Limited	Fellow Subsidiary	-	0.35
14 Payment To Key Managerial Personnel / Relative *			
Hardeep Singh	KMP	301.30	37.68
Abhishek Jalan w.e.f 19.07.22	KMP	96.17	-
Naveen Maheshwari upto 11.07.22	KMP	16.76	0.41
Jagruti Shah	KMP	36.75	24.47

* Relationships established during the year and also include employee contribution

₹ in lakhs

Particulars	Relationship	Balance as at 31st March, 2023	Balance as at 31st March, 2022
1 Equity share capital			
Reliance Retail Ventures Limited	Holding Company	4,500.00	4,500.00
2 Issue of Optionally Fully Convertible Debentures (OFCD)			
Reliance Retail Ventures Limited	Holding Company	13,000.00	-
3 Trade payables			
Reliance Retail Limited	Fellow Subsidiaries	28.51	9.21
Reliance SMSL Limited	Fellow Subsidiaries	48.94	-
Reliance Jio Infocomm Limited	Fellow Subsidiaries	1.52	0.02
Reliance Projects & Property Management Services Limited	Fellow Subsidiaries	13.39	-
Reliance Progressive Traders Private Limited	Fellow Subsidiaries	1.04	-
Jio Things Limited	Fellow Subsidiaries	1.08	-
4 Creditors for capital expenditure			
Reliance Projects & Property Management Services Limited	Fellow Subsidiaries	360.98	291.56
Reliance Retail Ventures Limited	Holding Company	-	4,098.60
5 Deposit			
Reliance Jio Infocomm Limited	Fellow Subsidiaries	0.08	0.05
Reliance Progressive Traders Private Limited	Fellow Subsidiaries	2.00	-

7-India Convenience Retail Limited**Notes to the Financial Statements for the year ended 31st March, 2023****32. Details of loan given, investment made and guarantee given covered u/s 186(4) of the Companies Act, 2013**

- i) No Loans given by the Company to body corporate as at 31st March 2023
 ii) Details of Investments made is given in note no. 5
 iii) Bank Guarantees of ₹ 4.11 lakhs given by the Company towards licenses

33.	Ratios	2022-23	2021-22	% of Variance
i	Current Ratio ^a	3.03	0.43	607.78%
ii	Debt Service Coverage ratio	-	-	-
iii	Inventory Turnover Ratio ^b	2.26	0.39	479.20%
iv	Trade Payable Turnover Ratio ^c	3.92	1.08	263.97%
v	Net Profit Ratio ^d	-184.81%	-793.13%	-76.70%
vi	Return on Investment ^e	20.92%	3.68%	469.23%
vii	Debt-Equity Ratio	-	-	-
viii	Return on Equity Ratio ^f	-20.41%	-13.82%	47.71%
ix	Trade Receivables Turnover Ratio ^g	72.32	22.74	218.05%
x	Net Capital Turnover Ratio ^h	0.29	-0.02	-1451.20%
xi	Return on Capital Employed ⁱ	-25.42%	-7.53%	237.80%

- a Increase on account of payment of liability to Reliance Retail Ventures Limited
 b Increase on account of improvement in sales
 c Increase primarily on account of increase in cost of goods sold and other expenses
 d Increase in net profit due to increase in sale and other Income
 e Increase on account of increase in other Income due increase in investment
 f Increase in loss for the year compared to previous year
 g Increase in trade receivable on account of increase in income from services
 h Increase on account of improvement in sales
 i Decreased due to higher operating loss in current year as compared to previous year

33.1 Formulae for computation of ratios are as follows:

i	Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
ii	Debt Service Coverage ratio	$\frac{\text{Earnings before Interest, Tax and Exceptional Items}}{\text{Interest Expense + Principal Repayments made during the period for long term loans}}$
iii	Inventory Turnover Ratio	$\frac{\text{Cost of Goods Sold (Purchases + Changes in Inventory)}}{\text{Average Inventories of Stock-in-Trade}}$
iv	Trade Payable Turnover Ratio	$\frac{\text{Cost of Goods Sold + Purchases of Stock-in-Trade + Other Expenses}}{\text{Average Trade Payables}}$
v	Net Profit Ratio	$\frac{\text{Profit After Tax (after exceptional items)}}{\text{Value of Sales \& Services}}$
vi	Return on Investment	$\frac{\text{Other Income (Excluding Dividend)}}{\text{Average Cash, Cash Equivalents \& Other Marketable Securities}}$
vii	Debt-Equity Ratio	$\frac{\text{Total Debt}}{\text{Total Equity}}$
viii	Return on Equity Ratio	$\frac{\text{Profit After Tax}}{\text{Average Net Worth}}$
ix	Trade Receivables Turnover Ratio	$\frac{\text{Value of Sales \& Services}}{\text{Average Trade Receivables}}$
x	Net Capital Turnover Ratio	$\frac{\text{Value of Sales \& Services}}{\text{Working Capital (Current Assets - Current Liabilities)}}$
xi	Return on Capital Employed	$\frac{\text{Net Profit After Tax + Deferred Tax Expense/(Income) + Finance Cost (-) Other Income}}{\text{Average Capital Employed **}}$

** Capital employed includes Equity, Borrowings, Deferred Tax Liabilities, Creditor for Capital Expenditure and reduced by Investments, Cash and Cash Equivalents, Capital Work-in-Progress and Intangible Assets under Development.

7-India Convenience Retail Limited**Notes to the Financial Statements for the year ended 31st March, 2023****34. Other Statutory Information**

- i There are no transaction and balances outstanding with struck off Companies as per section 248 of the Companies Act, 2013.
- ii The Company do not have any Capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.
- iii The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- iv The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- v The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

35. The figures for the corresponding previous year have been regrouped wherever necessary, to make them comparable.

36. The Financial Statements were approved for issue by the Board of Directors on 17th April, 2023.

7-India Convenience Retail Limited

As per our Report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm Registration No. 117366W/W-100018

For and on behalf of the Board

Pallavi Sharma

Partner

Membership No. 113861

Hardeep Singh

Whole-Time Director

DIN: 07383818

Venkatesh Guler

Director

DIN: 02813390

Damodar Mall

Director

DIN:00043330

Date: 17th April, 2023

Abhishek Jalan

Chief Financial Officer

PAN: ACQPJ7802B

Jagruti Shah

Company Secretary

PAN: ADWPD1514B