Reliance Lifestyle Holdings Limited
Financial Statements
2016-17

Independent Auditor's Report

To the Members of Reliance Lifestyle Holdings Limited

Report on the Financial Statements

We have audited the accompanying financial statements of

Reliance Lifestyle Holdings Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, 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 the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position) , profit or loss(financial performance including other comprehensive income) , cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, 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 Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact on 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. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management as referred in Note 30 to the financial statements.

For **Chaturvedi & Shah**
Chartered Accountants
(Firm Registration no. 101720W)

Jignesh Mehta
Partner
Membership No.: 102749

Place : Mumbai
Date : April 20, 2017

"Annexure A" to the Independent Auditors' Report on the Financial Statements of Reliance Lifestyle Holdings Limited

(Referred to in Paragraph 1 under the heading of "Report on other legal and regulatory requirements" of our report of even date)

i) In respect of its fixed assets :

a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

c) As the Company has no immovable assets during the year, clause (c) (i) of paragraph 3 of the Order is not applicable to the company.

ii) As explained to us, physical verification of the inventories have been conducted at reasonable intervals by the management which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies were noticed on such physical verification.

iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.

iv) Company not directly or indirectly advanced loan to the persons covered under Section 185 of the Act or given guarantees or securities in connection with the loan taken by such persons. Company has not made any investments or given any loan or any guarantee or security in connection with the loan to any person or body corporate covered under section 186 of the Act. Consequently, the requirement of clause (iv) of paragraph 3 of the Order is not applicable to the Company.

v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.

vi) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.

vii) In respect of Statutory dues :

a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess on account of any dispute, which have not been deposited.

viii) The Company has not raised any loans from financial institutions or banks or government. Further, no amounts were due for repayment to debenture holders. Therefore, the clause (viii) of paragraph 3 of the Order is not applicable to the Company.

ix) The money raised by company from term loans has been applied for the purpose for which they are raised.

x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi) Company has not paid any managerial remuneration during the year and hence clause (xi) of paragraph 3 of the Order is not applicable to the Company.

xii) In our opinion company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.

xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the company.

xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.

xvi) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Chaturvedi & Shah**
Chartered Accountants
(Firm Registration no. 101720W)

Jignesh Mehta
Partner
Membership No.: 102749

Place : Mumbai
Date : April 20, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE LIFESTYLE HOLDINGS LIMITED

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of

Reliance Lifestyle Holdings Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Chaturvedi & Shah**
Chartered Accountants
(Firm Registration no. 101720W)

Jignesh Mehta
Partner
Membership No.: 102749

Place : Mumbai
Date : April 20, 2017

Balance Sheet as at 31st March, 2017

	Note		As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015
							₹ lakh
ASSETS							
Non-Current Assets							
Property, Plant and Equipment	**1**	**55 69.27**		42 32.61		44 51.54	
Capital Work-in-Progress	**1**	**6 02.85**		3 38.01		1 48.00	
Intangible Assets	**1**	**2 03.87**		2 22.13		2 40.39	
		63 75.99		47 92.75		48 39.93	
Other Non Current Assets	**2**	**95.21**		99.60		24.42	
Total Non-Current Assets			**64 71.20**		48 92.35		48 64.35
Current assets							
Inventories	**3**	**50 34.49**		33 23.25		23 89.29	
Financial Assets							
Trade Receivables	**4**	**1 59.32**		89.69		72.35	
Cash and Cash Equivalents	**5**	**1 97.34**		96.79		70.64	
Other Financial Assets	**6**	**18 68.89**		14 07.80		11 59.46	
Other Current Assets	**7**	**10 52.41**		3 49.26		2 61.53	
Total Current Assets			**83 12.45**		52 66.79		39 53.27
Total Assets			**147 83.65**		101 59.14		88 17.62
EQUITY AND LIABILITIES							
Equity							
Equity Share Capital	**8**	**5.00**		5.00		5.00	
Other Equity	**9**	**65 36.15**		60 80.64		(19 44.16)	
Total Equity			**65 41.15**		60 85.64		(19 39.16)
Liabilities							
Non-current liabilities							
Financial Liabilities							
Borrowings	**10**	**41 86.14**		14 30.87		91 71.88	
Provisions	**11**	**61.46**		36.57		26.96	
Total Non-Current Liabilities			**42 47.60**		14 67.44		91 98.84
Current liabilities							
Financial Liabilities							
Trade Payables	**12**	**30 65.25**		20 17.89		11 08.58	
Other Financial Liabilities	**13**	**4 44.78**		2 54.51		1 55.92	
Other Current Liabilities	**14**	**4 83.12**		3 32.52		2 89.20	
Provisions	**15**	**1.75**		1.14		4.24	
Total Current Liabilities			**39 94.90**		26 06.06		15 57.94
Total Liabilities			**82 42.50**		40 73.50		107 56.78
Total Equity & Liabilities			**147 83.65**		101 59.14		88 17.62
Significant accounting policies							
Notes on financial statements	**1 to 32**						

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Jignesh Mehta
Partner

Mumbai
Dated : 20th April, 2017

For and on behalf of the Board

Darshan Mehta
Director

Rajkumar Pugalia
Director

Gulur Venkatesh
Director

Mayank Shah
Director

Samirbhai Sheth
Director

Statement of Profit and Loss for the year ended 31st March, 2017

	Note	2016-17	₹ lakh 2015-16
INCOME			
Revenue from Operations	**16**	**229 37.94**	157 30.97
Other Income	**17**	**4.24**	0.86
Total Income		**229 42.18**	157 31.83
EXPENDITURE			
Purchases of Stock-in-Trade		**130 87.86**	90 90.25
Changes in Inventories of Stock-in-Trade	**18**	**(16 24.29)**	(9 05.34)
Employee Benefits Expense	**19**	**16 86.18**	11 47.21
Finance Costs	**20**	**2 17.73**	71.55
Depreciation and Amortisation Expense		**7 12.03**	5 84.53
Other Expenses	**21**	**84 06.27**	63 19.90
Total Expenses		**224 85.78**	163 08.10
Profit before Tax		**4 56.40**	(5 76.27)
Tax expenses:		**-**	-
Profit for the year		**4 56.40**	(5 76.27)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss	**19.1**	**(0.89)**	1.07
Total Comprehensive Income for the year		**4 55.51**	(5 75.20)
Earnings per equity share of face value of ₹ 10 each			
Basic	**23**	**9 12.80**	(11 52.54)
Diluted	**23**	**0.53**	(11 52.54)
Significant accounting policies			
Notes on financial statements	**1 to 32**		

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Jignesh Mehta
Partner

Mumbai
Dated : 20th April, 2017

For and on behalf of the Board

Darshan Mehta
Director

Rajkumar Pugalia
Director

Gulur Venkatesh
Director

Mayank Shah
Director

Samirbhai Sheth
Director

Statement of Changes in Equity for the year ended 31st March, 2017

A. Equity Share Capital

₹ lakh

Balance at the beginning of the reporting period i.e. 1st April, 2015	Changes in equity share capital during the year 2015-16	Balance at the end of the reporting period i.e. 31st March, 2016	Changes in equity share capital during the year 2016-17	**Balance at the end of the reporting period i.e. 31st March, 2017**
5.00	**-**	**5.00**	**-**	**5.00**

B. Other Equity

₹ lakh

		Reserves & Surplus			
	Convertible Instruments	**Debenture Redemption Reserve**	**Retained Earnings**	**Other Comprehensive Income**	**Total**
As on 1st April, 2015	-	-	(19 44.16)	-	(19 44.16)
Issue of Convertible Instruments [(i)]	86 00.00	-	-	-	86 00.00
Total Comprehensive income for the year	-	-	(5 76.27)	1.07	(5 75.20)
Balance at the end of reporting period 31st March, 2016	**86 00.00**	**-**	**(25 20.43)**	**1.07**	**60 80.64**
Balance at the beginning of reporting period 01st April, 2016	86 00.00	-	(25 20.43)	1.07	60 80.64
Tranferred from / (to) Debenture Redemption Reserve	-	1 43.65	(1 43.65)	-	-
Total Comprehensive income for the year	-	-	4 56.40	(0.89)	4 55.51
Balance at the end of reporting period 31st March, 2017	**86 00.00**	**1 43.65**	**(22 07.68)**	**0.18**	**65 36.15**

[(i)] The Company has an option for conversion of Zero Coupon Optionally Fully Convertible Debentures (OFCDs) in to equity shares, at any time after allotment of the OFCDs by giving one month notice to the OFCD holder. The conversion into equity shares shall be based on higher of face value or book value of the Company as at March 31, 2015. If not converted, the Company will redeem the outstanding OFCDs on the expiry of 15 years from the date of allotment i.e 31st March 2016.

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Jignesh Mehta
Partner

Mumbai
Dated : 20th April, 2017

For and on behalf of the Board

Darshan Mehta
Director

Rajkumar Pugalia
Director

Gulur Venkatesh
Director

Mayank Shah
Director

Samirbhai Sheth
Director

Cash Flow Statement for the year Ended 31st March, 2017

₹ lakh

			2016-17		2015-16
A:	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before tax as per Statement of Profit and Loss		**4 56.40**		(5 75.20)
	Adjusted for:				
	(Profit)/ loss on sale/discarding of Property, Plant & Equipment (PPE) (net)	**1.53**		1 03.75	
	Depreciation and amortisation expense	**7 12.03**		5 84.53	
	Effect of exchange rate change	**23.50**		5.19	
	Interest income	**(4.24)**		(0.86)	
	Finance costs	**2 17.73**		71.55	
			9 50.55		7 64.16
	Operating profit before working capital changes		**14 06.95**		1 88.96
	Adjusted for:				
	Trade and other receivables	**(12 85.20)**		(3 53.41)	
	Inventories	**(17 11.24)**		(9 33.96)	
	Trade and other payables	**12 28.77**		9 42.61	
			(17 67.67)		(3 44.76)
	Cash generated from operations		**(3 60.72)**		(1 55.80)
	Taxes paid (net)		**3.68**		4.07
	Net cash used in operating activities		**(3 57.04)**		(1 51.73)
B:	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase for PPE		**(21 04.32)**		(6 14.95)
	Proceeds from disposal of PPE		**1.32**		-
	Interest income		**3.62**		0.61
	Net cash used in investing activities		**(20 99.38)**		(6 14.34)
C:	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from borrowings		**97 90.15**		62 27.99
	Repayment of long term borrowings		**(70 34.88)**		(53 69.00)
	Interest paid		**(1 98.30)**		(66.77)
	Net cash flow from financing activities		**25 56.97**		7 92.22
	Net increase in cash and cash equivalents		**1 00.55**		26.15
	Opening balance of cash and cash equivalents		**96.79**		70.64
	Closing balance of cash and cash equivalents (Refer Note "5")		**1 97.34**		96.79

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Jignesh Mehta
Partner

Mumbai
Dated : 20th April, 2017

For and on behalf of the Board

Darshan Mehta
Director

Rajkumar Pugalia
Director

Gulur Venkatesh
Director

Mayank Shah
Director

Samirbhai Sheth
Director

Notes to the Financial Statements for the Year Ended 31st March, 2017

A. CORPORATE INFORMATION

Reliance Lifestyle Holdings Limited ("the Company") is a limited company incorporated in India having its registered office and principal place of business at 5thfloor, Court House, Lokmanya Tilak Marg, Dhobi Talao, Mumbai – 400 002. The Company's immediate holding Company is Reliance Brands Limited which is held by Reliance Retail Ventures Limited and Ultimate holding company is Reliance Industries Limited.

B. 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:

i) Certain financial assets and liabilities (including derivative instruments).

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.

Upto the year ended March 31, 2016, the Company has prepared its financial statements in accordance with the requirement of Indian GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

These financial statements are the Company's first Ind AS standalone financial statements.

Company's financial statements are presented in Indian Rupees (₹), which is its functional currency.

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Property, plant and equipment

Property, plant and equipment is stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready 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 the entity and the cost can be measured reliably.

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 in compliance with Schedule II to the Companies Act, 2013. Leasehold improvements are amortized over the lower of estimated useful life or lease period; on assets acquired under finance lease depreciation is provided over the lease term.

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.

(b) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leased Asset

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Notes to the Financial Statements for the Year Ended 31st March, 2017 (Contd.)

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

(c) Intangible assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

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

Computer software is amortised over a period of 5 years on a straight line basis.

(d) Research and Development Expenses

Revenue expenditure pertaining to research is charged to the Profit and Loss Statement. Development costs of products are charged to the Profit and Loss Statement unless a product's technological feasibility has been established, in which case such expenditure is capitalised

(e) Borrowings 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 Profit and Loss Statement in the period in which they are incurred.

(f) 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 all cost of purchase, cost of conversion and other costs net of recoverable taxes incurred in bringing them to their respective present location and condition.

Costs are determined on weighted average basis.

(g) 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. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual assets, the Company estimates the recoverable amount of the cash generating unit (CGU) to which the asset belongs.

An impairment loss is recognised in the Profit and Loss Statement 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.

(h) 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.

Notes to the Financial Statements for the Year Ended 31st March, 2017 (Contd.)

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.

(i) Employee Benefits

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's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service.

Defined Benefit Plans

The liability in respect of defined benefit plans 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-measurment of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

(j) Tax Expense

The tax expense for the period comprises current and deferred tax. Tax is recognised in statement of profit and loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

- **Current tax**

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

- **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 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.

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 that exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings are capitalized as cost of assets under construction.

(k) Revenue recognition

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

Notes to the Financial Statements for the Year Ended 31st March, 2017 (Contd.)

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from operations includes sale of goods, services adjusted for discounts (net), service tax, and value added tax.

Interest income

Interest income from a financial asset is recognised using effective interest rate method.

Dividends

Revenue is recognised when the Company's right to receive the payment has been established.

(l) Financial instruments

i) **Financial Assets**

A. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added 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 carried at amortised cost (AC)

A financial asset is subsequently 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 are solely payments of principal and interest on the principal amount outstanding.

b) Financial assetsat fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held with in 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 are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets 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.

C. Investment in subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in subsidiaries, associates and joint venture at cost.

D. Other equity Investments

All 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'.

E. 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 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 trad receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

Notes to the Financial Statements for the Year Ended 31st March, 2017 (Contd.)

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 loans and borrowings and payables, net of directly attributable cost. Cost of recurring nature are directly recognised in profit or loss as finance cost.

B. Subsequent measurement:

Financial liabilities are subsequently 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) **Derivative financial instruments**

Thecompany uses various derivative financial instruments suchas currency forwards and commodity contracts to mitigate the risk of changes in exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of profit and loss, except in case where the related underlying is held as inventory, in which case, they are adjusted to the carrying cost of inventory.

iv) **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 obligations pecified in the contract is discharged or cancelled or expires.

C. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATIONUNCERTAINTY

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 future periods.

a) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives 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 lives 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 assessing the credit worthiness 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.

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. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

Notes to the Financial Statements for the Year Ended 31st March, 2017 (Contd.)

d) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that assets may be impaired. If any indication exists, or when annual impairment testing for assets is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for assets, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups 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 transaction 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 Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

D. FIRST TIME ADOPTION OF IND AS

The Company has adopted Ind AS with effect from 1st April 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2015 and all the periods presented have been restated accordingly.

a) Exemptions from retrospective application

(i) Business combination exemption

The Company has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combinations" to business combinations consummated prior to April 1, 2015 (the "Transition Date"), pursuant to which goodwill arising from a business combination has been stated at the carrying amount prior to the date of transition under Indian GAAP. The Company has also applied the exemption for past business combinations to acquisitions of investments in subsidiariesconsummated prior to the Transition Date.

(ii) Fair value as deemed cost exemption

The Company has elected to measure any item of property, plant and equipment at its carrying value at the transition date.

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

1. Property, Plant and Equipment

₹ lakh

Description	Gross block							Depreciation/ amortisation							Net block		
	As at 1st April, 2015	Additions	Deductions/ Adjustments	As at 1st April, 2016	Additions	Deductions/ Adjustments	**As at 31st March 2017**	As at 1st April, 2015	For the year	Deductions/ Adjustments	As at 1st April, 2016	For the year	Deductions/ Adjustments	**As at 31 March, 2017**	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
(i) Tangible assets																	
Own assets:																	
Plant and machinery	3 73.93	26.92	3.03	3 97.82	2 21.59	0.71	**6 18.70**	1 15.00	66.26	1.65	1 79.61	88.66	0.02	**2 68.25**	**3 50.45**	2 18.21	2 58.93
Electrical installations	6 88.14	58.01	9.80	7 36.35	3 14.44	-	**10 50.79**	1 19.60	79.09	4.28	1 94.41	1 00.84	-	**2 95.25**	**7 55.54**	5 41.94	5 68.54
Equipment	18 86.20	1 61.83	78.88	19 69.15	4 80.77	-	**24 49.92**	2 54.07	1 37.34	25.38	3 66.03	1 56.45	-	**5 22.48**	**19 27.44**	16 03.12	16 32.13
Furniture and fixtures	9 05.31	51.94	37.36	9 19.89	3 76.19	0.83	**12 95.25**	2 03.48	95.74	27.58	2 71.64	1 16.18	0.20	**3 87.62**	**9 07.63**	6 48.25	7 01.83
Leasehold improvements	17 08.13	1 52.38	72.00	17 88.51	6 40.29	1.84	**24 26.96**	4 18.02	1 87.84	38.44	5 67.42	2 31.64	0.31	**7 98.75**	**16 28.21**	12 21.09	12 90.11
Total (i)	**55 61.71**	**4 51.08**	**2 01.07**	**58 11.72**	**20 33.28**	**3.38**	**78 41.62**	**11 10.17**	**5 66.27**	**97.33**	**15 79.11**	**6 93.77**	**0.53**	**22 72.35**	**55 69.27**	**42 32.61**	**44 51.54**
(ii) Intangible assets																	
Franchisee rights	3 58.00	-	-	3 58.00	-	-	**3 58.00**	1 17.61	18.26	-	1 35.87	18.26	-	**1 54.13**	**2 03.87**	2 22.13	2 40.39
Total (ii)	**3 58.00**	**-**	**-**	**3 58.00**	**-**	**-**	**3 58.00**	**1 17.61**	**18.26**	**-**	**1 35.87**	**18.26**	**-**	**1 54.13**	**2 03.87**	**2 22.13**	**2 40.39**
Total (i+ii)	**59 19.71**	**4 51.08**	**2 01.07**	**61 69.72**	**20 33.28**	**3.38**	**81 99.62**	**12 27.78**	**5 84.53**	**97.33**	**17 14.98**	**7 12.03**	**0.53**	**24 26.48**	**57 73.14**	**44 54.74**	**46 91.93**
Previous year	52 55.46	7 48.13	83.89	59 19.71	4 51.08	2 01.07	61 69.71	6 84.89	5 54.75	11.86	12 27.78	5 84.53	97.33	17 14.98	44 54.74	46 91.93	
Capital work-in-progress															**6 02.85**	3 38.01	1 48.00

1.1 Capital work-in-progress Includes ₹ 3 54.26 lakh (Previous year ₹ 157.85 lakh & 1 45.29 lakh) on account of capital goods inventory.

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

2. Other Non Current Assets *(unsecured and considered good)*	As at 31st March, 2017	As at 31st March, 2016	₹ lakh As at 1st April, 2015
Capital Advances	**41.35**	94.01	15.01
Deposits [(i)]	**51.63**	0.93	0.68
Advance Income Tax (Net of Provision)	**0.98**	4.66	8.73
Other Loans and Advances[(ii)]	**1.25**	-	-
Total	**95.21**	99.60	24.42

(i) Deposits given to statutory authorities.

(ii) Represents loan to employees.

Advance Income Tax (Net of Provision)	As at 31st March, 2017	As at 31st March, 2016	₹ lakh As at 1st April, 2015
At start of year	**4.66**	8.73	
Charge for the year	**-**	-	
Others	**-**	-	
Tax paid during the year (Net of Refunds)	**(3.68)**	(4.07)	
At end of year	**0.98**	4.66	8.73

3. Inventories *(valued at lower of cost or net realisable value)*	As at 31st March, 2017	As at 31st March, 2016	₹ lakh As at 1st April, 2015
Stock-in-trade	**48 45.13**	32 20.84	23 15.50
Stores and spares	**1 89.36**	1 02.41	73.79
Total	**50 34.49**	33 23.25	23 89.29

4. Trade Receivables *(unsecured & considered good)*	As at 31st March, 2017	As at 31st March, 2016	₹ lakh As at 1st April, 2015
Trade Receivables	**1 59.32**	89.69	72.35
Total	**1 59.32**	89.69	72.35

5. Cash and Cash Equivalents	As at 31st March, 2017	As at 31st March, 2016	₹ lakh As at 1st April, 2015
Cash and cash equivalents			
Cash on hand	**44.94**	28.32	18.31
Balance with bank [(i) and (ii)]	**1 52.40**	68.47	52.33
Cash and cash equivalents as per balance sheet / standalone statement of cash flows	**1 97.34**	96.79	70.64

(i) Includes deposits ₹ 0.85 lakhs (Previous year ₹ 0.85 lakh & nil) with maturity period of more than 12 months.

(ii) Includes deposits ₹ 1 03.85 lakhs (Previous year ₹ 23.85 lakhs & nil) held by tax authority as security and by bank as margin money for bank guarantees, forward contracts and working capital loan.

5.1 Cash and cash equivalents includes deposits maintained by the Company with banks, which can be withdrawn by the Company at any point of time without prior notice or penalty on the principal.

5.2 Please refer note no. 30 for details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016.

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

₹ lakh

6. Other Financial Assets	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Deposits	**18 68.02**	14 07.55	11 59.46
Others [(i)]	**0.87**	0.25	-
Total	**18 68.89**	14 07.80	11 59.46

[(i)] Includes interest receivable.

₹ lakh

7. Other Current Assets *(unsecured and considered good)*	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Balance with service tax/ sales tax authorities, etc.	**74.96**	30.91	20.53
Others [(i)]	**9 77.45**	3 18.35	2 41.00
Total	**10 52.41**	3 49.26	2 61.53

[(i)] Includes advances to employees and vendors.

₹ lakh

8. Share capital		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Authorised:				
50,000 (50,000) (50,000)	Equity shares of ₹ 10 each	**5.00**	5.00	5.00
	Total	**5.00**	5.00	5.00
Issued, Subscribed & Paid up				
50,000 (50,000) (50,000)	Equity shares of ₹ 10 each	**5.00**	5.00	5.00
	Total	**5.00**	5.00	5.00

(i) All the above 50,000 (previous year 50,000 & 50,000) equity shares of ₹ 10 each fully paid-up are held by Reliance Brands Limited, the holding company, along with its nominees.

(ii) **The details of Shareholders holding more than 5% shares :**

Name of the Shareholders	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Reliance Brands Limited	**50,000**	**100.00**	50,000	100.00	50,000	100.00

(iii) **Reconciliation of opening and closing number of shares**

Particulars	As at 31st March, 2017 No. of shares	As at 31st March, 2016 No. of shares
Equity shares outstanding at the beginning of the year	**50,000**	50,000
Add: Equity shares issued during the year	**-**	-
Equity shares outstanding at the end of the year	**50,000**	50,000

(iv) The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

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

₹ lakh

9. Other Equity		As at 31st March, 2017		As at 31st March, 2016	As at 1st April, 2015
Debenture Redemption Reserve					
As per last Balance Sheet	**-**		-		
Transferred from Profit and Loss Account	**1 43.65**		-		
		1 43.65		-	-
Convertible Instruments					
As per last Balance Sheet	**86 00.00**		**-**		
Issue	-		86 00.00		
Redemption	-		-		
		86 00.00		86 00.00	-
Retained Earnings					
As per last Balance Sheet	**(25 20.43)**		(19 44.16)		
Add: Profit/ (loss) for the year	**4 56.40**		(5 76.27)		
Transferred to Debenture Redemption Reserve	**(1 43.65)**		-		
		(22 07.68)		(25 20.43)	(19 44.16)
Other Comprehensive Income					
As per last Balance Sheet	**1.07**		-		
Add: Movement in OCI (Net) during the year	**(0.89)**		1.07		
		0.18		1.07	-
Total		**65 36.15**		60 80.64	(19 44.16)

₹ lakh

10. Borrowings - Non Current	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unsecured - At amortised cost			
Loans and advances from related parties [i]	**41 86.14**	14 30.87	91 71.88
Total	**41 86.14**	14 30.87	91 71.88

[i] Represents from Holding company

₹ lakh

11. Provisions - Non Current	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for employee benefits [i]	**61.46**	36.57	26.96
Total	**61.46**	36.57	26.96

[i] The provision for employee benefit includes annual leave and vested long service leave entitlement accrued and compensation claims made by employees. For further disclosure please refer note no. 19

₹ lakh

12. Trade Payables		As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015
Micro and Small Enterprises	**0.28**		7.40		15.32	
Others	**30 64.97**		20 10.49		10 93.26	
		30 65.25		20 17.89		11 08.58
Total		**30 65.25**		20 17.89		11 08.58

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

(i) Dues to micro and small enterprises

The details of amounts outstanding to Micro and Small Enterprises based on available information with the Company is as under:

₹ lakh

Sr No	Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	Principal amount due and remaining unpaid	-	-	-
2	Interest due on above and the unpaid interest	-	-	-
3	Interest paid	-	-	-
4	Payment made beyond the appointed day during the year	-	-	-
5	Interest due and payable for the period of delay	-	-	-
6	Interest accrued and remaining unpaid	-	-	-
7	Amount of further interest remaining due and payable in succeeding year	-	-	-

₹ lakh

13. Other Financial liabilities	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Interest accrued but not due on borrowings	**29.45**	10.02	5.24
Creditors for capital expenditure	**3 79.65**	2 38.51	1 33.36
Others [(i)]	**35.68**	5.98	17.32
Total	**4 44.78**	2 54.51	1 55.92

(i) Includes deposits received and treasury payable.

₹ lakh

14. Other Current Liabilities	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Others [(i)]	**4 83.12**	3 32.52	2 89.20
Total	**4 83.12**	3 32.52	2 89.20

(i) Includes statutory liabilities and advances received.

₹ lakh

15. Provisions - Current	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for employee benefits [(i)]	**1.75**	1.14	4.24
Total	**1.75**	1.14	4.24

(i) The provision for employee benefit includes annual leave and vested long service leave entitlement accrued and compensation claims made by employees. For further disclosure please refer note no. 19

₹ lakh

16. Revenue from Operations	2016-17	2015-16
Sale of products	**228 58.92**	156 61.05
Sale of services	**90.82**	79.64
	229 49.74	157 40.69
Less: Service tax recovered	**11.80**	9.72
Total	**229 37.94**	157 30.97

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

₹ lakh

17.	Other Income		2016-17		2015-16
	Interest income				
	From Bank Deposits	**3.90**		0.86	
	From Others	**0.34**		-	
			4.24		0.86
	Total		**4.24**		0.86

₹ lakh

18.	Changes in inventories of stock-in-trade	2016-17	2015-16
	Inventories (at close)		
	Stock-in-trade	**48 45.13**	32 20.84
	Inventories (at commencement)		
	Stock-in-trade	**32 20.84**	23 15.50
	Total	**(16 24.29)**	(9 05.34)

₹ lakh

19.	Employee Benefits Expense	2016-17	2015-16
	Salaries and wages	**14 99.23**	10 33.50
	Contribution to provident and other funds	**1 09.48**	62.50
	Staff welfare expenses	**77.47**	51.21
	Total	**16 86.18**	11 47.21

19.1 As per Indian Accounting Standard 19 “Employee benefits”, the disclosures as defined are given below :

Defined contribution plan

₹ lakh

Contribution to defined contribution plan, recognised are charged off for the year are as under:

	2016-17	2015-16
Employer’s contribution to Provident Fund	**20.19**	11.88
Employer’s contribution to Pension Scheme	**45.81**	26.97

Defined benefit plan

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

	Gratuity (unfunded)	
	2016-17	2015-16
Defined benefit obligation at beginning of the year	**23.16**	16.87
Current service cost	**14.06**	9.20
Interest cost	**1.85**	1.35
Actuarial (gain)/ loss	**0.89**	(1.07)
Benefits paid	**-**	(3.19)
Defined benefit obligation at year end	**39.96**	23.16

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

II. Reconciliation of fair value of assets and obligations

	Gratuity (unfunded)	
	2016-17	2015-16
Present value of obligation	**39.96**	23.16
Amount recognised in Balance Sheet	**39.96**	23.16

III. Expenses recognised during the year

	Gratuity (unfunded)	
	2016-17	2015-16
Current service cost	**14.06**	9.20
Interest cost on benefit obligation	**1.85**	1.35
Actuarial (gain)/ loss recognised in the year	**-**	-
Net benefit expense/ (income)	**15.91**	10.55
In Other Comprehensive Income		
Actuarial (gain)/ loss	**0.89**	(1.07)
Net (Income)/ Expense For the period Recognised in OCI	**0.89**	(1.07)

IV. Actuarial assumptions

	Gratuity (unfunded)	
	2016-17	2015-16
Mortality Table	**2006-08 (Ultimate)**	2006-08 (Ultimate)
Discount rate (per annum)	**7.46%**	8.00%
Rate of escalation in salary (per annum)	**6.00%**	6.00%

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 2016-17.

VI. Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade, 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:

Particulars	**As at 31st March, 2017**		As at 31st March, 2016	
	Decrease	**Increase**	Decrease	Increase
Change in rate of discounting (delta effect of +/- 0.5%)	**3.25**	**3.66**	1.82	2.04
Change in rate of salary increase (delta effect of +/- 0.5%)	**3.31**	**3.69**	1.86	2.07
Change in rate of employee turnover (delta effect of +/- 0.5%)	**0.78**	**0.72**	0.61	0.56

These plans typically expose the Group to actuarial risk such as: interest risk, longevity risk and salary risk.

Interest risk	A decrease in the bond interest rate will increase the plan liability.
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 particpants wil 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 particpants. As such, an increase in the salary of the plan participants will increase the plan‘s liability.

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

		₹ lakh
20. Finance Costs	**2016-17**	2015-16
Interest cost	**2 17.73**	71.55
Total	**2 17.73**	71.55

				₹ lakh
21. Other Expenses		**2016-17**		2015-16
Sales and distribution expenses				
Sales promotion and advertisement expenses	**4 62.93**		4 60.01	
Store running expenses	**3 58.18**		2 52.08	
Royalty	**7 63.97**		5 18.01	
Commission	**23.27**		-	
Warehousing and distribution expenses	**3 68.70**		1 96.19	
		19 77.05		14 26.29
Establishment expenses				
Stores and packing materials	**2 30.14**		1 36.35	
Building repairs and maintenance	**3 06.86**		2 42.86	
Rent including lease rentals	**42 99.09**		32 28.58	
Insurance	**42.77**		25.72	
Rates and taxes	**63.57**		4.87	
Travelling and conveyance expenses	**99.38**		68.12	
Professional fees	**27.16**		9.29	
Loss on sale/ discarding of assets (net)	**1.53**		1 03.75	
Exchange differences (net)	**50.54**		37.81	
Security expenses	**3 03.46**		1 80.76	
Bad debts written off	**-**		5.16	
Electricity expenses	**6 81.75**		6 13.86	
Hire charges	**1 65.92**		1 56.90	
General expenses	**1 54.86**		77.53	
		64 27.03		48 91.56
Payments to auditor				
Audit fees	**1.50**		1.32	
Tax audit fees	**0.37**		0.35	
Certification and consultation fees	**0.32**		0.38	
		2.19		2.05
Total		**84 06.27**		63 19.90

22 The Company is mainly engaged in 'Organised Retail' primarily catering to Indian consumers in various consumptions 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.

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

23	**Earnings per share (EPS)**	**2016-17**	2015-16
	(i) Net profit/ (loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ lakh)	**4 56.40**	(5 76.27)
	(ii) Weighted average number of equity shares used as denominator for calculating Basic EPS	**50,000**	50,000
	(iii) Effect of dilutive issue of ZOFCD	**8,60,00,000**	2,35,616
	(iv) Weighted average number of equity shares used as denominator for calculating Diluted EPS (ii + iii)	**8,60,50,000**	2,85,616
	(v) Basic Earnings per share of face value of ₹ 10 each (Amount in ₹)	**9 12.80**	(11 52.54)
	(vi) Diluted Earnings per share of face value of ₹ 10 each (Amount in ₹)	**0.53**	(11 52.54)

* For previous year Diluted EPS is same as basic EPS, being anti dilutive.

24 Commitments and contingent liabilities

₹ lakh

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
i) Capital commitments:			
Estimated amount of contracts remaining to be executed on capital accounts (net of advances) and not provided for	**1 50.24**	2 10.09	79.39
ii) Contingent liabilities:			
Outstanding guarantees furnished to banks including in respect of letters of credit	**5 87.50**	1 08.68	3.90

25 General description of lease terms

(i) Lease rentals are charged on the basis of agreed terms.

(ii) Assets are taken on lease over a period of 3 to 12 years.

26 Capital management

For the purpose of the company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's Gearing ratio as at 31st March 2017 is 61% (previous year 22%).

The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash & cash equivalents,excluding discontinued operations.

27 Financial Instruments

Valuation

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

a) The fair value of Forward Foreign Exchange contracts is determined using forward exchange rates at the balance sheet date.

b) The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

c) All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

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

Fair value measurement hierarchy: ₹ lakh

Particulars	As at 31st March, 2017			As at 31st March, 2016			As at 1st April, 2015		
	Carrying	Level of input used in		Carrying	Level of input used in		Carrying	Level of input used in	
	Amount	Level 1	Level 2	Amount	Level 1	Level 2	Amount	Level 1	Level 2
Financial Assets									
At Amotised Cost									
Trade Receivables	**159.32**	-	-	89.69	-	-	72.35	-	-
Cash and Bank Balances	**197.34**	-	-	96.79	-	-	70.64	-	-
Other Financial Assets	**1 868.89**	-	-	1 407.80	-	-	1 159.46	-	-
Financial Liabilities									
At Amortised Cost									
Borrowings	**4 186.14**	-	-	1 430.87	-	-	9 171.88	-	-
Trade Payables	**3 065.25**	-	-	2 017.89	-	-	1 108.58	-	-
Other Financial Liabilities	**412.90**	-	-	252.32	-	-	155.92	-	-
At FVTPL									
Financial Derivatives	**31.88**	-	**31.88**	2.19	-	2.19	-	-	-

The financial instruments are categorized into two 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; and

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

Foreign Currency Risk

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

Foreign Currency Exposure ₹ lakh

	As at 31st March, 2017		As at 31st March, 2016	As at 1st April, 2015	
	USD	**GBP**	**USD**	**USD**	**GBP**
Foreign Currency Creditors	47.40	13.32	102.78	85.17	19.59
Derivatives					
Forwards	(1 037.00)	-	(180.00)	-	-
Net Exposure	**(989.60)**	**13.32**	**(77.22)**	**85.17**	**19.59**

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

Foreign Currency Sensitivity ₹ lakh

	As at 31st March, 2017		As at 31st March, 2016	As at 1st April, 2015	
1% Depreciation in INR	**USD**	**GBP**	**USD**	**USD**	**GBP**
Transfer to P&L	9.90	(0.13)	0.77	(0.85)	(0.20)
Total	**9.90**	**(0.13)**	**0.77**	**(0.85)**	**(0.20)**

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

	As at 31st March, 2017		As at 31st March, 2016	As at 1st April, 2015	
1% Appreciation in INR	**USD**	**GBP**	**USD**	**USD**	**GBP**
Transfer to P&L	(9.90)	0.13	(0.77)	0.85	0.20
Total	**(9.90)**	**0.13**	**(0.77)**	**0.85**	**0.20**

Interest Rate risk

The exposure of the company's borrowing and derivatives to interest rate changes at the end of the reporting period are as follows

Interest Rate Exposure

₹ lakh

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Fixed Rate Loans	**4 186.14**	1 430.87	9 171.88
Total	**4186.14**	1430.87	9171.88

Credit risk

Credit risk is the risk that a customer will fail to pay amounts due causing financial loss to the company.It arises from cash and cash equivalents,and principally from credit exposures to customers relating to outstanding receivables.

Liquidity Risk

Liquidity risk is the risk that suitable sources of funding for the company's business activities may not be available. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The company's liquidity is managed centrally with operating units forecasting their cash and currency requirements to the central treasury function. The operating units pool their cash surpluses to treasury, which will then either arrange to fund other units' requirements, or invest any net surplus in the market or arrange for necessary external borrowings, if need be, while managing the company's overall net currency positions.

Maturity Profile of Loans and Derivative Financial Liabilities as on 31 March, 2017

₹ lakh

Liquidity Risks	**Less than equal to 3 months**	**3-6 Months**	**6-12 Months**	**1-3 Years**	**3-5 Years**	**Above 5 Years**	**Grand Total**
Non Derivative Liabilities							
Long term Loans	-	-	-	4,186.14	-	-	4,186.14
Total Borrowings	**-**	**-**	**-**	**4,186.14**	**-**	**-**	**4,186.14**
Derivatives Liabilities							
Forwards	31.59	-	-	-	-	-	31.59
Total Derivative liability	**31.59**	**-**	**-**	**-**	**-**	**-**	**31.59**
Total Liability	**31.59**	**-**	**-**	**4,186.14**	**-**	**-**	**4,217.73**

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

Maturity Profile of Loans and Derivative Financial Liabilities as on 31 March, 2016

₹ lakh

Liquidity Risks	Less than equal to 3 months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	Grand Total
Non Derivative Liabilities							
Long term Loans	-	-	-	1,430.87	-	-	1,430.87
Total Borrowings	**-**	**-**	**-**	**1,430.87**	**-**	**-**	**1,430.87**
Derivatives Liabilities							
Forwards	1.98	0.21	-	-	-	-	2.19
Total Derivative liability	**1.98**	**0.21**	**-**	**-**	**-**	**-**	**2.19**
Total Liability	**1.98**	**0.21**	**-**	**1,430.87**	**-**	**-**	**1,433.06**

28 Deferred tax assets (net) of ₹ 9 76.01 lakh as on 31st March, 2017 consists of the following items. As a matter of prudence, the Company has not recognised deferred tax assets in the books of accounts.

₹ lakh

	As at 31st March, 2017	As at 31st March, 2016
Deferred Tax Assets		
Disallowances under the Income Tax Act,1961	**34.31**	25.48
Carried forward Losses	**11 62.32**	10 32.89
Less: Deferred tax liability		
Related to fixed assets	**2 20.62**	2 11.01
Deferred Tax Assets (Net)	**9 76.01**	8 47.36

29 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 party	Relationship
1	Reliance Industries Limited	Ultimate holding company
2	Reliance Retail Ventures Limited	Holding companies
3	Reliance Brands Limited	Holding companies
4	Reliance Retail Limited	Holding companies
5	Reliance Clothing India Private Limited	Fellow subsidiaries
6	Reliance SMSL Limited *(formerly Strategic Manpower Solutions Limited)*	Fellow subsidiaries

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

(ii) Transactions during the year with related parties (excluding reimbursements): ₹ lakh

Sr. No.	Nature of transactions	Holding companies	Fellow subsidiaries	Total
1	Net unsecured loans taken/ (repaid)	**27 55.27** *8 58.99*	**-** *-*	**27 55.27** *8 58.99*
2	Conversion of unsecured loan to Debentures	**-** *86 00.00*	**-** *-*	**-** *86 00.00*
3	Purchase of fixed assets/ project materials	**10.88** *-*	**25.13** *11.56*	**36.01** *11.56*
4	Purchases	**-** *-*	**1.21** *-*	**1.21** *-*
5	Store running expenses	**-** *-*	**1 54.30** *1 14.89*	**1 54.30** *1 14.89*
6	Building repairs and maintenance	**-** *-*	**16.36** *-*	**16.36** *-*
7	Interest cost	**2 17.73** *71.55*	**-** *-*	**2 17.73** *71.55*
	Balance as at 31st March, 2017			
8	Share capital	**5.00** *5.00*	**-** *-*	**5.00** *5.00*
9	Long-term borrowings	**41 86.14** *14 30.87*	**-** *-*	**41 86.14** *14 30.87*
10	Zero Coupon Optionally Fully Convertible Debenture	**86 00.00** *86 00.00*	**-** *-*	**86 00.00** *86 00.00*
11	Trade and other payables	**-** *-*	**32.47** *7.29*	**32.47** *7.29*
12	Trade receivables	**-** *-*	**0.08** *-*	**0.08** *-*
13	Other Current Liabilities	**29.45** *10.02*	**-** *-*	**29.45** *10.02*
14	Financial guarantees taken	**-** *-*	**5 87.50** *1 08.68*	**5 87.50** *1 08.68*

Figures in *italic* represents previous year's amount.

(iii) Disclosure in respect of material related party transactions during the year: ₹ lakh

Sr. No.	Particulars	Relationship	2016-17	2015-16
1	**Net unsecured loans taken/ (repaid)**			
	Reliance Brands Limited	Holding company	**27 55.27**	8 58.99
2	**Conversion of unsecured loan to Debentures**			
	Reliance Brands Limited	Holding company	**-**	86 00.00
3	**Purchase of fixed assets**			
	Reliance Brands Limited	Holding company	**10.88**	-
	Reliance Retail Limited	Fellow Subsidiary	**25.13**	11.56
4	**Purchases**			
	Reliance Retail Limited	Fellow Subsidiary	**1.21**	-
5	**Store running expenses**			
	Reliance SMSL Limited	Fellow Subsidiary	**1 54.30**	1 14.89

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

(iii) Disclosure in respect of material related party transactions during the year: (Continued) ₹ lakh

Sr. No.	Particulars	Relationship	2016-17	2015-16
6	**Building repairs and maintenance**			
	Reliance Retail Limited	Fellow Subsidiary	**16.36**	-
7	**Interest cost**			
	Reliance Brands Limited	Holding company	**2 17.73**	71.55

All related party contracts / arrangements have been entered on arm's length basis.

30 Details of Specified Bank Notes (SBN) held and Transacted during the period 08/11/2016 to 30/12/2016 is as under:

₹ lakh

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	26.33	4.95	**31.28**
(+) Permitted receipts	-	7 81.81	**7 81.81**
(-) Permitted payments [(i)]	-	11.12	**11.12**
(-) Amount deposited in Banks	26.33	7 31.93	**7 58.26**
Closing cash in hand as on 30.12.2016	-	43.71	**43.71**

[(i)] Includes Advance / Imprest / expenses during the period

31 The Financial statements were approved for issue by the board of directors on 20th April, 2017.

32 First time Ind AS adoption reconciliations

32.1 Effect of Ind AS adoption on the standalone balance sheet as at 31st March 2016 and 1st April, 2015

₹ lakh

	Notes	**As at 31st March 2016**			**As at 1st April 2015**		
		Previous GAAP	**Effect of transition to Ind AS**	**As per Ind AS balance sheet**	**Previous GAAP**	**Effect of transition to Ind AS**	**As per Ind AS balance sheet**
Assets							
Non-current assets							
Property, Plant and Equipment		42 32.61	-	42 32.61	44 51.54	-	44 51.54
Capital Work-in-Progress		3 38.01	-	3 38.01	1 48.00	-	1 48.00
Intangible Assets		2 22.13	-	2 22.13	2 40.39	-	2 40.39
Other Non-current assets		99.60	-	99.60	24.42	-	24.42
Total Non-current assets		**48 92.35**	-	**48 92.35**	**48 64.35**	-	**48 64.35**
Current assets							
Inventories		33 23.25	-	33 23.25	23 89.29	-	23 89.29
Financial Assets							
Trade receivables		89.69	-	89.69	72.35	-	72.35
Cash and cash equivalents		96.79	-	96.79	70.64	-	70.64
Other Financial Assets		14 07.80	-	14 07.80	11 59.46	-	11 59.46
Other Current Assets		3 49.26	-	3 49.26	2 61.53	-	2 61.53
Total Current assets		**5,266.79**	-	**5,266.79**	**3,953.27**	-	**3,953.27**
Total Assets		**101 59.14**	-	**101 59.14**	**88 17.62**	-	**88 17.62**

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

₹ lakh

	As at 31st March 2016			As at 1st April 2015		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
EQUITY AND LIABILITIES						
Equity						
Equity Share capital	5.00	-	5.00	5.00	-	5.00
Other Equity	(25 19.08)	85 99.72	60 80.64	(19 44.16)	-	(19 44.16)
Total equity	**(25 14.08)**	**85 99.72**	**60 85.64**	**(19 39.16)**	**-**	**(19 39.16)**
Liabilities						
Non-current liabilities						
Financial Liabilities						
Borrowings	100 30.87	(86 00.00)	14 30.87	91 71.88	-	91 71.88
Provisions	36.57	-	36.57	26.96	-	26.96
Total non-current liabilities	**100 67.44**	**(86 00.00)**	**14 67.44**	**91 98.84**	**-**	**91 98.84**
Current liabilities						
Financial Liabilities						
Trade payables	20 17.89	-	20 17.89	11 08.58	-	11 08.58
Other Financial Liabilities	2 54.51	-	2 54.51	1 55.92	-	1 55.92
Other Current Liabilities	3 32.24	0.28	3 32.52	2 89.20	-	2 89.20
Provisions	1.14	-	1.14	4.24	-	4.24
Total current liabilities	**26 05.78**	**0.28**	**26 06.06**	**15 57.94**	**-**	**15 57.94**
Total Liabilities	**126 73.22**	**(85 99.72)**	**40 73.50**	**107 56.78**	**-**	**107 56.78**
Total equity and liabilities	**101 59.14**	**-**	**101 59.14**	**88 17.62**	**-**	**88 17.62**

32.2 Effect of Ind AS adoption on the statement of profit and loss for the year ended 31st March 2016 ₹ lakh

	Year ended 31st March 2016		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
INCOME			
Revenue from operations	**157 50.23**	**(19.26)**	**157 30.97**
Other Income	0.86	-	0.86
Total Income	**157 51.09**	**(19.26)**	**157 31.83**
EXPENDITURE			
Purchase of Stock-in-Trade	90 90.25	-	90 90.25
Changes in Inventories of Stock-in-Trade	(9 05.34)	-	(9 05.34)
Employee Benefits Expense	11 46.14	1.07	11 47.21
Finance Costs	71.55	-	71.55
Depreciation and Amortisation Expense	5 84.53	-	5 84.53
Other Expenses	63 38.88	(18.98)	63 19.90
Total Expenses	**163 26.01**	**(17.91)**	**163 08.10**
Profit Before Tax	**(5 74.92)**	**(1.35)**	**(5 76.27)**
Tax Expenses	**-**	**-**	**-**
Profit for the Year	**(5 74.92)**	**(1.35)**	**(5 76.27)**

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

32.3 Reconciliation of Other Equity between Ind AS and Previous GAAP ₹ lakh

Sr. No.	Nature of adjustments	Notes	Year ended 31st March, 2016	As at 31st March, 2016	As at 1st April, 2015
	Net Profit / Other Equity as per Previous Indian GAAP		**(5 74.92)**	**(25 19.08)**	**(19 44.16)**
1	Fair Valuation for Financial Assets	A	(0.28)	(0.28)	-
2	Others	B	(1.07)	-	-
	Total		(1.35)	(0.28)	-
	Net profit before OCI / Other Equity as per Ind AS		**(5 76.27)**	**(25 19.36)**	**(19 44.16)**

Notes:

A) Financial Assets/Liability including certain investments have been recorded at fair value as at 1st April, 2015 with the resultant gain in the reserves.

For subsequent measurements, these assets have been valued at amortised cost using effecive interest rate / fair value through profit or loss (FVTPL) / fair value through other comprehensive income (FVTOCI) as per accounting policy determined by the company.

B) Employee Benefits - Under Ind AS, actuarial gains and losses are recognised in Other Comprehensive Income.

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Jignesh Mehta
Partner

Mumbai
Dated : 20th April, 2017

For and on behalf of the Board

Darshan Mehta
Director

Rajkumar Pugalia
Director

Gulur Venkatesh
Director

Mayank Shah
Director

Samirbhai Sheth
Director