RELIANCE SMSL LIMITED

FINANCIAL STATEMENTS

2016-17

Independent Auditor's Report

TO THE MEMBERS OF
RELIANCE SMSL LIMITED
(previously known as Strategic Manpower Solutions Limited)
Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance SMSLLimited**("the Company")*(previously known as Strategic Manpower Solutions Limited)*, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation 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 on31st 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 did not hold any Specified Bank Notes as on 8th November, 2016 and Company had not dealt with such notes during the period from 8th November, 2016 to 30th December, 2016 and hence, the requirement of disclosure in financial statements is not applicable to the Company.

For **Chaturvedi & Shah**
Chartered Accountants
Firm Registration No. -101720W

Jignesh Mehta
Partner
M. No 102749

Place: Mumbai
Date: April 20, 2017

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE SMSL 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 the Company had no Inventories during the year, clause (ii) of paragraph of 3 of the Order is not applicable to the Company.

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 has not granted any loans, investments, guarantees and securities covered under section 185 and 186 of the Act.

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, service 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) In our opinion and according to the information given to us, the Company has not raised loans from financial institutions or banks or government and no amounts were due for repayments to debenture holders; hence clause (viii) of paragraph 3 of the Order is not applicable to the Company.

ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term Loan and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.

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
M. No 102749

Place: Mumbai
Date: April 20, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE SMSL 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 SMSL Limited**("the Company") *(previously known as Strategic Manpower Solutions Limited)*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. 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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. 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.

For **Chaturvedi & Shah**
Chartered Accountants
Firm Registration No. -101720W

Jignesh Mehta
Partner
M. No 102749

Place: Mumbai
Date: April 20, 2017

Balance Sheet as at 31st March, 2017

	Notes	As at 31st March, 2017	As at 31st March, 2016	₹ Lakhs As at 1st April, 2015
ASSETS				
Non-Current assets				
Property, plant and equipment	**1**	**77.89**	-	-
Deferred tax assets (net)	**2**	**21 43.37**	-	-
Other Non-Current Assets	**3**	**-**	5 09.28	2 82.63
Total Non-Current Assets		**22 21.26**	5 09.28	2 82.63
Current Assets				
Financial Assets				
Trade Receivables	**4**	**91 28.13**	64 38.48	40 93.43
Cash and Cash Equivalents	**5**	**66.58**	6.32	17.66
Other Financial Assets	**6**	**54.31**	-	-
Other Current Assets	**7**	**15 65.89**	20 96.74	242.63
Total Current Assets		**108 14.91**	85 41.54	43 53.72
Total Assets		**130 36.17**	90 50.82	46 36.35
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	**8**	**5.00**	5.00	5.00
Other Equity	**9**	**(14 77.08)**	(28 91.92)	(29 03.84)
Total Equity		**(14 72.08)**	(28 86.92)	(28 98.84)
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	**10**	-	-	11 86.26
Provisions	**11**	**3 07.44**	-	-
Total Non-Current Liabilities		**3 07.44**	-	11 86.26
Current Liabilities				
Financial Liabilities				
Trade Payables	**12**	**2 94.93**	1 54.62	81.90
Other Current Liabilities	**13**	**94 68.05**	79 92.00	40 49.97
Provisions	**14**	**44 37.83**	37 91.12	22 17.06
Total Current Liabilities		**142 00.81**	119 37.74	63 48.93
Total Liabilities		**145 08.25**	119 37.74	75 35.19
Total Equity and Liabilities		**130 36.17**	90 50.82	46 36.35
Significant Accounting Policies				
See accompanying Notes to the Financial Statements	**1 to 24**			

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants
Firm Regn No. - 101720W

Jignesh Mehta
Partner
Mem. No. - 102749

Mumbai
April 20, 2017

For and on behalf of the Board

Sanjay Jog Director	**CS Anilkumar** Director	**K Sudarshan** Director
Pramod Bhawalkar Director	**Jagmohan Bhamri** Director	**Geeta Fulwadaya** Director

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

	Notes	2016-17	₹ Lakhs 2015-16
Revenue from Operations			
Income from Services	**15**	**1 055 90.82**	813 93.29
Other Income	**16**	**24.49**	1.49
Total Income		**1 056 15.31**	813 94.78
EXPENSES			
Employee Benefits Expense	**17**	**998 65.29**	775 09.73
Finance Costs			
Depreciation		**2.18**	-
Other Expenses	**18**	**76 63.35**	51 20.01
Total Expenses		**1 075 30.82**	826 29.74
Profit Before Tax		**(19 15.51)**	(12 34.96)
Tax Expenses			
Current Tax	**11.1**	**1 96.41**	**-**
Deferred Tax	**2**	**(21 43.37)**	-
		(19 46.96)	-
Profit for the year		**31.45**	(12 34.96)
Other Comprehensive Income			
(i) Other item not to be reclassified in Profit & Loss account			
Remeasurement of Defined Benefit Plan	**17.3**	**20 66.70**	1 19.62
(ii) Income tax relating to items that will be reclassified to Profit or loss		**(6 83.31)**	-
Total comprehensive income for the year attributable to equity holders		**14 14.84**	**(11 15.34)**
Earnings per equity share of face value of ₹ 10 each			
Basic (in ₹)	**19**	**62.90**	**(24 69.93)**
Diluted (in ₹)	**19**	**0.33**	**(7 64.22)**
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	**1 to 24**		

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants
Firm Regn No. - 101720W

Jignesh Mehta
Partner
Mem. No. - 102749

Mumbai
April 20, 2017

For and on behalf of the Board

Sanjay Jog Director	**CS Anilkumar** Director	**K Sudarshan** Director
Pramod Bhawalkar Director	**Jagmohan Bhamri** Director	**Geeta Fulwadaya** Director

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

₹ Lakhs

A. EQUITY SHARE CAPITAL

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

₹ Lakhs

B. OTHER EQUITY	Equity component of convetible instrument	Application money Pending Allotment	Retained Earnings	Other Comprehensive Income	Total
As at 31st March, 2016					
Balance at the beginning of the reporting period i.e. 1st April, 2015	-	-	(29 03.84)	-	(29 03.84)
Zero Coupon Unsecured Optionally Fully Convertible Debentures (OFCDs) of ₹ 10 each	-	11 27.26	-	-	11 27.26
Total Comprehensive Income for the year	-	-	(12 34.96)	1 19.62	(11 15.34)
Balance at the end of reporting period i.e. 31st March, 2016	.-	11 27.26	(41 38.80)	1 19.62	(28 91.92)
As on 31st March, 2017					
Total Comprehensive Income for the year *	-	-	31.45	13 83.39	14 14.84
Zero Coupon Unsecured Optionally Fully Convertible Debentures (OFCDs) of ₹10 each #	11 27.26	(11 27.26)	-	-	-
Balance at the end of the reporting period i.e. 31st March, 2017	**11 27.26**	**-**	**(41 07.35)**	**15 03.01**	**(14 77.08)**

* Represents - a) Remeasurement of employee related Defined Benefit Plan

The Company has issued 1 12 72 583 fully paid (Previous year NIL) Zero Coupon Optionally Fully Convertible Debentures of ₹ 10 each to Reliance Corporate IT Park Ltd., Holding Company. The Company and OFCD holder shall have an option for an early conversion at any time after allotment of the OFCDs by giving one month notice to other party at a value higher of book value or face value as at 31st March, 2017.

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants
Firm Regn No. - 101720W

Jignesh Mehta
Partner
Mem. No. - 102749

Mumbai
April 20, 2017

For and on behalf of the Board

Sanjay Jog Director	**CS Anilkumar** Director	**K Sudarshan** Director
Pramod Bhawalkar Director	**Jagmohan Bhamri** Director	**Geeta Fulwadaya** Director

Cash Flow Statement For the year ended 31st March, 2017

		Notes	2016-17	₹ Lakhs 2015-16
A:	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit before Tax as per Statement of Profit and Loss		(19 15.51)	(12 34.96)
	Adjusted for:			
	Depreciation and Amortisation Expense		2.18	-
	Interest Income		(24.49)	(1.49)
	Operating Profit before Working Capital Changes		**(19 37.82)**	**(12 36.45)**
	Adjusted for:			
	Trade and Other Receivables		(21 70.58)	(42 08.18)
	Trade and Other Payables		43 29.79	57 08.42
	Cash Generated from Operations		**2 21.39**	**2 63.79**
	Taxes Paid (Net)		(1 05.55)	(2 17.62)
	Deferred Tax		-	-
	Net Cash from Operating Activities		**1 15.84**	**46.17**
B:	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of Fixed Assets		(80.07)	-
	Interest Income		24.49	1.49
	Net Cash from Investing Activities		**(55.58)**	1.49
C:	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Repayment of Long Term Borrowings		-	(59.00)
	Net Cash used in Financing Activities		-	(59.00)
	Net (Decrease)/ Increase in Cash and Cash Equivalents		60.26	(11.34)
	Opening Balance of Cash and Cash Equivalents		6.32	17.66
	Closing Balance of Cash and Cash Equivalents (Refer Note 5)		**66.58**	6.32

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants
Firm Regn No. - 101720W

Jignesh Mehta
Partner
Mem. No. - 102749

Mumbai
April 20, 2017

For and on behalf of the Board

Sanjay Jog Director	**CS Anilkumar** Director	**K Sudarshan** Director
Pramod Bhawalkar Director	**Jagmohan Bhamri** Director	**Geeta Fulwadaya** Director

Notes on Financial Statements for the year ended 31st March, 2017

A. CORPORATE INFORMATION

Reliance SMSL Limited (formarly known as Strategic Manpower Solutions Limited) ("the Company") is a public limited Company incorporated in India. The address of its registered office and principal place of business is 3rd floor, Court house, Lokmanya Tilak Marg, Dhobi Talao, Mumbai - 400002. The principal activities of the Company is providing manpower recruitment or supply agency and activity related to human resource engagement.

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.

(ii) Defined benefit plans - plan assets.

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the Accounting Standards 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 are stated at cost, net of accumulated depreciation and accumulated 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 to the entity and the cost can be measured reliably.

Depreciation on property, plant and equipment is provided based on useful life of the assets prescribed in Schedule II to the Companies Act, 2013.

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 recognised in the Statement of Profit and Loss when the asset is derecognised.

(b) 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 (CGU) to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its

Notes on Financial Statements for the year ended 31st March, 2017

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.

(c) 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.

(d) 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 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 Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

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-measurement of defined benefit plans in respect of post-employment and other long term benefits are charged to the Other Comprehensive Income.

(e) Taxation

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

Notes on Financial Statements for the year ended 31st March, 2017

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.

(f) Revenue recognition

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

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.

(g) 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 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 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 assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income 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 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 subsequently fair valued through profit or loss.

C. 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'.

D. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment assessment 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 :

(1) 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

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

Notes on Financial Statements for the year ended 31st March, 2017

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. Further 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 initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees 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) 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.

C. CRITICAL ACCOUNTING JUDGMENTS 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 future periods.

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

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation 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 for future periods is adjusted 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.

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.

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, or when annual impairment testing for an asset 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 an individual asset, 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 Retained Earnings as at 1st April 2015 and all the periods presented have been restated accordingly.

a) Exemptions from retrospective application:

i) Fair value as deemed cost exemption:

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

Notes on Financial Statements for the year ended 31st March, 2017

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation

1. PROPERTY, PLANT AND EQUIPMENT

₹ lakh

Description	Gross block							Depreciation/ amortisation							Net block		
	As at 1st April, 2015	Impact on IND AS Transition	Additions/ Adjustment	**As at 1st April 2016**	Additions/ Adjustments	Deductions/ Adjustments	**As at 31st March, 2017**	As at 1st April, 2015	Impact on IND AS Transition	Additions/ Adjustments/ Deduction	**As at 1st April 2016**	For the year	Deductions/ Adjustments	**Upto 31st 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	-	-	-	-	80.07	-	80.07	-	-	-	-	2.18	-	2.18	77.89	-	-
Total	**-**	**-**	**-**	**-**	**80.07**	**-**	**80.07**	**-**	**-**	**-**	**-**	**2.18**	**-**	**2.18**	**77.89**	**-**	**-**
Previous year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

Notes on Financial Statements for the year ended 31st March, 2017

₹ Lakhs

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
2	**DEFERRED TAX ASSETS (NET)**			
	The movement on the deferred tax account is as follows:			
	At the start of the year	-	-	-
	Change credit to Profit or loss (Note 11.1)	**21 43.37**	-	-
	At the end of the year	**21 43.37**	-	-

Deferred tax liability and asset at the end of the reporting period and deferred tax (credit) / charge in profit or loss and other comprehensiv income

	As at 31st March, 2016	Charge/(Credit) to Profit or Loss	As at 31st March, 2017
Deferred Tax Assets in relation to			
Disallowance under the Income Tax Act, 1961	-	21 50.59	**21 50.59**
Property, plant and equipemnts	-	(7.22)	**(7.22)**
Total	-	21 43.37	**21 43.37**

₹ Lakhs

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
3.	**OTHER NON CURRENT ASSETS** (Unsecured and Considered Good)			
	Advance Income Tax (Net of Provision)	-	466.74	249.12
	Security Deposits	**-**	42.54	33.51
	Total	**-**	509.28	282.63

₹ Lakhs

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
4	**TRADE RECEIVABLES** (Unsecured and Considered Good)			
	Trade receivable	**91 28.13**	64 38.48	40 93.43
	Total	**91 28.13**	64 38.48	40 93.43

₹ Lakhs

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
5	**CASH AND CASH EQUIVALENTS**			
	Balance with bank	**66.58**	6.32	17.66
	Total	**66.58**	6.32	17.66

5.1 Please refer Note 22 for details of Specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 To 30th December, 2016.

Notes on Financial Statements for the year ended 31st March, 2017

₹ Lakhs

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
6	**OTHER FINANCIAL ASSETS**			
	Security Deposits	**54.31**	-	-
	Total	**54.31**	-	-

₹ Lakhs

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
7	**OTHER CURRENT ASSETS**			
	(Unsecured and Considered Good)			
	Balance with Service Tax/ Sales Tax Authorities, etc.	**0.50**	0.50	-
	Others*	**15 65.39**	20 96.24	2 42.63
	Total	**15 65.89**	20 96.74	2 42.63

*Includes advance to employees, prepaid expenses and unclaimed service tax.

₹ Lakhs

		As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		Units	Amount	Units	Amount	Units	Amount
8	**Share Capital**						
	Authorised Share Capital:						
	Equity Shares of ₹ 10 each	50 000	5.00	50 000	5.00	50 000	5.00
	Total	50 000	**5.00**	50 000	5.00	50 000	5.00
	Issued, Subscribed and Paid-Up:						
	Equity Shares of ₹ 10 each fully paid up	50 000	5.00	50 000	5.00	50 000	5.00
	Total	50 000	**5.00**	50 000	5.00	50 000	5.00

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

₹ Lakhs

	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
Name of Shareholder	**No. of Shares**	**% held**	No. of Shares	% held	No. of Shares	% held
Reliance Corporate IT Park Ltd.	**50 000**	**100**	50 000	100	50 000	100

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

₹ Lakhs

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Particulars	No. of shares	No. of shares	No. of shares
Equity Shares at the beginning of the year	**50 000**	50 000	50 000
Add: Equity Shares issued during the year	-	-	-
Equity Shares at the end of the year	**50 000**	50 000	50 000

(iii) The Company has one class of ordinary shares which carry equal voting rights.

Notes on Financial Statements for the year ended 31st March, 2017

₹ Lakhs

			As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015
9	**OTHER EQUITY**						
	Retained Earnings						
	As per last Balance Sheet	**(41 38.80)**		(29 03.84)		(26 04.58)	
	Profit / (Loss) of the Year	**31.45**		(12 34.96)		(2 99.26)	
			(41 07.35)		(41 38.80)		(29 03.84)
	Other Comprehensive Income						
	As per last balance sheet	**1 19.62**		-		-	
	Addition during the year	**13 83.39**		1 19.62		-	
			15 03.01		1 19.62		-
	Equity Component of Compound Financial Instrument						
	As per last balance sheet	**11 27.26**		-		-	
	Add: Application money ZOFCD	-		11 27.26		-	
	Less: Issue of Debenture	**(11 27.26)**		-		-	
			-		11 27.26		**-**
	Zero Coupon Unsecured optionally Fully Convertible Debenture of ₹ 10 each						
	As per last balance sheet	-		-		-	
	Add: Issue of Debenture	**11 27.26**		-		-	
			11 27.26		**-**		**-**
			(14 77.08)		(28 91.92)		(29 03.84)

9.1 The Company has issued 1 12 72 583 fully paid (Previous year NIL) Zero Coupon Optionally Fully Convertible Debentures of ₹ 10 each to Reliance Corporate IT Park Limited, Holding Company.

9.2 The Company and OFCD holder shall have an option for an early conversion at any time after allotment of the OFCDs by giving one month notice to other party at a value higher of book value or face value as at 31st March, 2015.

₹ Lakhs

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
10	**BORROWINGS**			
	Borrowings	-	-	11 86.26
	Total	-	-	11 86.26

₹ Lakhs

		As at 31st March, 2017	As at 31st March 2016	As at 1st April 2015
11	**PROVISIONS - NON CURRENT**			
	Provision for Income Tax			
	Provision for Income Tax on OCI (Tax on Gain on Acturial valuation of Gratuity)	**6 83.31**	-	-
	Less: Advance Income Tax (Net of Provision)	**3 75.87**	-	-
	Total	**3 07.44**	-	-

Notes on Financial Statements for the year ended 31st March, 2017

11.1

₹ Lakhs

		As at 31st March, 2017	As at 31st March, 2016
a)	**Income Tax recognised in Profit or Loss**		
	Current Tax	**1 96.41**	-
	Deferred Tax	**(21 43.37)**	-
	Total Income Tax Expenses recognised in the current year relating to Continuing Operations.	**(19 46.96)**	**-**

The Income Tax expenses for the year can be reconciled to the accounting profit as follows:

Particulars	As at 31st March, 2017	As at 31st March, 2016
Profit before Tax from Continuing Operations	**(19 15.51)**	(12 34.96)
Applicable Tax Rate	**33.063%**	33.063%
Computed Tax Expense	**(6 33.33)**	(4 08.31)
Tax Effect of :		
Income not Considered	**-**	408.31
Expenses not Allowed	**21 51.31**	-
Additional Allowances	**(13 21.57)**	**-**
Current Tax Provision (A)	**1 96.41**	**-**
Incremental Deferred Tax Liability on account of PPE	**7.22**	-
Incremental Deferred Tax Asset on account of Financial Assets & Other items	**(21 50.59)**	-
Deferred Tax Provision (B)	**(21 43.37)**	**-**
Tax Expenses recognised in Statement of Profit and Loss (A+B)	**(19 46.96)**	-
Effective Tax Rate	**101.64%**	0.00%

The figures in the above table are based on the provision for Income Tax and Deferred Tax in Accounts.

		As at 31st March, 2017	As at 31st March, 2016
b)	**Current Tax Assets (Net)**		
	At start of year	**4 66.74**	2 49.12
	Charge for the year	**(1 96.41)**	-
	Others*	**(6 83.31)**	**-**
	Tax paid during the year	**1 05.55**	2 17.62
	At end of year	**(3 07.44)**	4 66.74

* Mainly pertains to Income Tax provision on Other Comprehensive Income

₹ Lakhs

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
12	**TRADE PAYABLES**			
	Trade Payables	**2 94.93**	1 54.62	81.90
	Total	**2 94.93**	1 54.62	81.90

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

Notes on Financial Statements for the year ended 31st March, 2017

	As at 31st March, 2017	As at 31st March, 2016	₹ Lakhs As at 1st April, 2015
Principal amount due and remaining unpaid	-	-	-
Interest due on above and the unpaid interest	-	-	-
Interest paid	-	-	-
Payment made beyond the appointed day during the year	-	-	-
Interest due and payable for the period of delay	-	-	-
Interest accrued and remaining unpaid	-	-	-
Amount of further interest remaining due and payable in succeeding years	-	-	-

		As at 31st March, 2017	As at 31st March, 2016	₹ Lakhs As at 1st April, 2015
13	**OTHER CURRENT LIABILITIES**			
	Others[(i)]	**94 68.05**	79 92.00	40 49.97
	Total	**94 68.05**	79 92.00	40 49.97

(i) Others include Salary payable and Statutory Dues.

		As at 31st March, 2017	As at 31st March, 2016	₹ Lakhs As at 1st April, 2015
14	**PROVISIONS - CURRENT**			
	Provision for Employee Benefits	**44 37.83**	37 91.12	22 17.06
	Total	**44 37.83**	37 91.12	22 17.06

		2016-17	₹ Lakhs 2015-16
15	**INCOME FROM SERVICES**		
	Sale of Services	**1 213 77.96**	929 23.53
		1 213 77.96	929 23.53
	Less: Service Tax Recovered	**157 87.14**	115 30.24
	Total	**1 055 90.82**	813 93.29

Revenue is from Manpower Services provided by the Company.

		2016-17	₹ Lakhs 2015-16
16	**OTHER INCOME**		
	Interest		
	From Others	**24.49**	1.49
	Total	**24.49**	1.49

Notes on Financial Statements for the year ended 31st March, 2017

₹ Lakhs

		2016-17	2015-16
17	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries and Wages	**847 45.75**	691 46.79
	Contribution to Provident and Other Funds[(i)]	**95 05.70**	73 84.32
	Staff Welfare Expenses	**56 13.84**	9 78.62
	Total	**998 65.29**	775 09.73

As per Indian Accounting Standard 19 "Employee benefits", the disclosures are given below:

Defined Contribution Plan

Contribution to Defined Contribution Plans , recognised as expense for the year is as under:

₹ Lakhs

Particulars	**2016-17**	2015-16
Employer's Contribution to Provident Fund	**16 11.69**	13 43.51
Employer's Contribution to Superannuation Fund	**-**	-
Employer's Contribution to Pension Fund	**36 49.49**	30 41.28

Defined Benefit Plan

The Employees Gratuity Scheme managed by Trust is a defined benefit plan. The Present value of obligation is determined based on actuarial valuation using the projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for Compensated Absences is recognised in the same manner as gratuity.

17.1. Reconciliation of opening and closing balances of Defined Benefit Obligation

Paticulars	**2016-17**	2015-16
	Gratuity (Unfunded)	
Defined Benefit Obligations at the beginning of the year	**20 35.16**	12 97.54
Current Service Cost	**15 35.03**	8 62.61
Add:on Acqusition/Transfer	**-**	-
Interest Cost	**1 62.81**	1 03.80
Actuarial (Gain / Loss)	**(20 66.70)**	(1 19.62)
Benefits Paid	**(1 08.06)**	(1 09.17)
Defined Benefit Obligations at the end of the year	**15 58.24**	20 35.16

17.2. Reconciliation of Fair Value of Assets and Obligations

Paticulars	**2016-17**	2015-16
	Gratuity (Unfunded)	
Fair Value of Plan Assets	**-**	-
Present Value Obligation	**15 58.24**	20 35.16
Amount Recognised in Balance sheet (Surplus/Deficit)	**15 58.24**	20 35.16

17.3. Expenses recognised during the year in the Statement of Profit and Loss

Paticulars	**2016-17**	2015-16
	Gratuity (Unfunded)	
In Income Statement	As at 31st March	
Current Service Cost	**15 35.03**	8 62.61
Interest Cost	**1 62.81**	1 03.80
Expected Return on Plan Assets		
Actuarial (Gain / Loss)		
Net Cost	16 97.84	9 66.41
In Other Comprehensive Income		
Actuarial (Gain / Loss)	**(20 66.70)**	(1 19.62)
Return on Plan Assets	**-**	-
Net (Income)/ Expense For the period Recognised in OCI	**(20 66.70)**	(1 19.62)

Notes on Financial Statements for the year ended 31st March, 2017

17.4. Investment Details

	2016-17		2015-16	
	₹ in Lakhs	**% Invested**	₹ in Lakhs	% Invested
GOI Securities	-	-	-	-
Public Securities	-	-	-	-
State Government Securities	-	-	-	-
Insurance Policies	-	-	-	-
Others (including bank balances)	-	-	-	-

17.5. Actuarial Assumptions

	2016-17	2015-16
Mortality Table (IALM)	**Gratuity (Funded)**	
Discount Rate (Per Annum)	8.00%	8.00%
Expected Rate of Return on Plan Assets(Per Annum)	-	-
Rate of Escalation in Salary (Per Annum)	6.00%	6.00%

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

17.6. The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2016-17.

17.7. Sensitivity Analysis

Siginificant Acturial 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 resonably possible changes of the assumptions occuring at end of the reporting period , while holding all other assumptions constant. The result of Sesitivity 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%)	**(1 16.07)**	**1 29.63**	(1 54.35)	1 73.40
Change in rate of salary increase(delta effect of +/- 0.5%)	**(1 18.11)**	**1 30.87**	(1 57.80)	1 75.99
Change in rate of employee turnover (delta effect of +/- 0.5%)	**(23.97)**	**21.94**	(53.14)	48.75

		₹ Lakhs
	2016-17	2015-16
18 OTHER EXPENSES		
Establishment Expenses		
Insurance	**6 36.61**	3 22.32
Rates and Taxes	**4.18**	7.08
Travelling and Conveyance Expenses	**38 72.22**	21 87.10
Payment to Auditors	**5.25**	3.75
Professional Fees	**9 26.41**	6 19.34
Contracted Manpower Expenses	**15 00.52**	12 23.08
Communication Expenses	**6 62.06**	7 44.94
General Expenses	**56.10**	12.40
Total	**76 63.35**	51 20.01

18.1 Payment to Auditors as:	**2016-17**	2015-16
Statutory Audit Fees	**4.60**	2.90
Tax Audit Fees	**0.65**	0.60
Certification Fees	**-**	0.25
Total	**5.25**	3.75

Notes on Financial Statements for the year ended 31st March, 2017

18.2 Corporate Social Responsibility (CSR)

a) CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is ₹ NIL (Previous Year ₹ NIL).

b) Expenditure related to Corporate Social Responsibility is ₹ NIL (Previous Year ₹ NIL).

19 Earning Per Share :

₹ Lakhs

Basic Earning Per Share	**2016-17**	2015-16
Net Profit after tax as per statement of profit and loss	**31.45**	(12 34.96)
Net Profit attributable to Equity Shareholders	**31.45**	(12 34.96)
Weighted Average number of equity shares used as denominator for calculating Basic EPS:	**500 00**	500 00
Basic Earnings per share of face value of ₹ 10 each (In ₹)	**62.90**	**(24 69.93)**

₹ Lakhs

Diluted Earning Per Share	**2016-17**	2015-16
Net Profit attributable to Equity Shareholders	**31.45**	(12 34.96)
Weighted Average number of equity shares used as denominator for calculating Basic EPS:	**500 00**	500 00
Add: Number of Zero Coupon Unsecured Optionally Fully Convertible Debentures (OFCDs)	**94 195 56**	1 115 98
Weighted Average number of equity shares used as denominator for calculating Diluted EPS:	**94 695 56**	**1 615 98**
Diluted Earnings per share of face value of ₹10 each (In ₹)	**0.33**	**(7 64.22)**

20 As per Ind AS 24, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

(i) List of related parties where control exists and related parties with whom transactions have taken place and the relationship:

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industries Limited	Ultimate Holding Company
2	Reliance Industrial Investments and Holdings Limited	Holding Company
3	Relaince Commercial Land and Infrastructure Limited	
4	Reliance Corporate IT Park Limited	
5	Reliane Retail Limited	Fellow Subsidiary Company
6	Reliance Jio Infocomm Limited	
7	Reliance Retail Insurance Broking Limited	
8	Reliance Brands Limited	
9	Reliance Lifestyle Holdings Limited	
10	Reliance Clothing India Private Limited	
11	Reliance Jioinfratel Private Limited	
12	Reliance Trading Limited	

Notes on Financial Statements for the year ended 31st March, 2017

(ii) Transactions during the year with related parties: ₹ Lakhs

Sr. No.	Nature of Transactions	Holding Company	Fellow Subsidiary/ Associates Company	Total
	(Excluding reimbursements)			
1	Purchase of Fixed Asset	**-**	**80.07**	**80.07**
		-	-	-
2	Revenue form Operations	**1 068 50.97**	**143 86.04**	**1 212 37.01**
		726 34.89	*201 72.51*	*928 07.40*
3	Net Unsecured Loans Repaid	**-**	**-**	**-**
		59.00	-	*59.00*
4	Professional Fees	**10 34.25**	**-**	**10 34.25**
		6 83.49	-	*6 83.49*
5	Allotment of ZOFCD	**11 27.26**	-	**11 27.26**
		-	-	-
6	Debenture application money received on account of conversion of Unsecured Loan	**-**	**-**	**-**
		11 27.26	-	*11 27.26*

Note :

Figures in Italic represents Previous Year's amount.

(iii) Disclosure in Respect of Material Related Party Transactions during the year:

₹ Lakhs

	Particulars	Relationship	2016-17	2015-16
1	Revenue from Operations			
	Reliance Corporate IT Park Limited	Holding Company	**1 068 50.97**	*726 34.89*
	Reliance Jio Infocomm Limited	Fellow Subsidiary Company	**-**	*135 13.58*
	Reliance Jio Infratel Private Limited	Fellow Subsidiary Company	**89 72.74**	*27 14.77*
	Reliance Retail Limited	Fellow Subsidiary Company	**43 64.39**	*30 69.88*
	Reliance Retail Insurance Broking Limited	Fellow Subsidiary Company	**2 00.00**	*3 18.61*
	Reliance Brands Limited	Fellow Subsidiary Company	**3 96.81**	*2 69.61*
	Reliance Lifestyle Holdings Limited	Fellow Subsidiary Company	**1 54.30**	*1 14.89*
	Reliance Trading Limited	Fellow Subsidiary Company	**17.83**	*21.09*
	Reliance Clothing India Private Limited	Fellow Subsidiary Company	**2 79.97**	*1 50.08*
2	Purchase of Fixed Asset			
	Reliance Retail Limited	Fellow Subsidiary Company	**80.07**	-
3	Net Unsecured Loans Repaid			
	Reliance Corporate IT Park Limited	Holding Company	0	*59.00*
4	Allotment of ZOFCD			
	Reliance Corporate IT Park Limited	Holding Company	**11 27.26**	-
5	Professional Fees			
	Reliance Corporate IT Park Limited	Holding Company	**10 34.25**	**6 83.49**
6	Debenture application money received on account of conversion of Unsecured Loan			
	Reliance Corporate IT Park Limited	Holding Company	**-**	**1,127.26**

₹ Lakhs

(iv)	**Balance as on 31st March, 2017**		**2016-17**	2015-16	2014-15
1	Share Capital	Holding Company	**5.00**	5.00	5.00
2	ZOFCD	Holding Company	**11 27.26**	-	**-**
3	Trade Receivable	Holding Company	**84 05.85**	49 24.04	14 98.81
		Fellow Subsidiary Company	**7 10.76**	*30 01.25*	*10 83.23*

Notes on Financial Statements for the year ended 31st March, 2017

21 Capital Management

The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in note 10) and total equity of the Company.

21.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows.

₹ Lakhs

	As at 31st March, 2017	As at 31st March 2016	As at 1st April 2015
Debt	**-**	-	11 86.26
Cash and bank balance	**66.58**	6.32	17.66
Net debt	**(66.58)**	(6.32)	11 68.60
Total Equity	**14 72.08**	28 86.92	28 98.84
Net debt to equity ratio	**-**	-	40.31%

Debt is defined as long-term and short-term borrowings as described in note 10

21.2 Fair valuation measurement hierarchy :

₹ Lakhs

Particulars	**As at 31st March, 2017**			As at 31st March, 2016			As at 1st April, 2015		
	Carrying Amount	**Level of input used in**		Carrying Amount	Level of input used in		Carrying Amount	Level of input used in	
		Level 1	**Level 2**		Level 1	Level 2		Level 1	Level 2
Financial Assets									
At Amotised Cost									
Trade Receivables	**91 28.13**	**-**	**-**	64 38.48	-	-	40 93.43	-	-
Cash and Bank Balances	**66.58**	**-**	**-**	6.32	-	-	17.66	-	-
Other Financial Assets	**54.31**	**-**	**-**	-	-	-	-	-	-
Financial Liabilities									
At Amortised Cost									
Borrowings	-	-	-	-	-	-	11 86.26	-	-
Trade Payables	**2 94.93**	**-**	**-**	1 54.62	-	-	81.90	-	-
Other Financial Liabilities	**-**	**-**	**-**	-	-	-	-	-	-

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.

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, so that the Company is not forced to obtain funds at higher rates.

Credit Risk : Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts

Notes on Financial Statements for the year ended 31st March, 2017

due causing financial loss to the Company. It arises from cash and cash equivalents, derivative financial instruments, deposits from financial institutions and principally from credit exposures to customers relating to outstanding receivables which are mainly group companies.

22 Cash transactions in the books of the Company between 8th November, 2016 and 30th December, 2016 is **NIL**.

23 Approval of financial statements

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

24 First time Ind AS adoption reconciliations

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

(₹ in lakh)

		As at 31st March, 2016			As at 1st April, 2015		
	Notes	**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							
Other Non-current assets	1	5 09.28	-	5 09.28	2 82.63	-	2 82.63
Total Non Current assets		**5 09.28**	-	**5 09.28**	**2 82.63**	**-**	**2 82.63**
Trade receivables		64 38.48	-	64 38.48	40 93.43	-	40 93.43
Cash and cash equivalents		6.32	-	6.32	17.66	-	17.66
Other Current Assets	1	20 96.74	-	20 96.74	2 42.63	-	2 42.63
Total Current assets		**85 41.54**	-	**85 41.54**	**43 53.72**	**-**	**43 53.72**
Total Assets		**90 50.82**	**-**	**90 50.82**	**46 36.35**	**-**	**46 36.35**
EQUITY AND LIABILITIES							
Equity							
Equity Share capital		5.00	-	5.00	5.00	-	5.00
Other Equity		(40 19.18)	11 27.26	(28 91.92)	(29 03.84)	-	(29 03.84)
Total equity		**(40 14.18)**	**11 27.26**	**(28 86.92)**	**(28 98.84)**	**-**	**(28 98.84)**
Liabilities							
Non-current liabilities							
Financial Liabilities							
Borrowings		-	-	-	11 86.26	-	11 86.26
Total non-current liabilities		**-**	**-**	**-**	**11 86.26**	**-**	**11 86.26**
Current liabilities							
Financial Liabilities							
Trade payables		1 54.62	-	1 54.62	81.90	-	81.90
Other Current liabilities		91 19.26	(11 27.26)	79 92.00	40 49.97	-	40 49.97
Provisions		37 91.12	-	37 91.12	22 17.06	-	22 17.06
Total current liabilities		**130 65.00**	**(11 27.26)**	**119 37.74**	**63 48.93**	**-**	**63 48.93**
Total Liabilities		**130 65.00**	**(11 27.26)**	**119 37.74**	**75 35.19**	**-**	**75 35.19**
Total equity and liabilities		**90 50.82**	**-**	**90 50.82**	**46 36.35**	**-**	**46 36.35**

1. Application money received on Zero Coupon Unsecured Optionally Fully Convertible Debenture shown under Other Current Liabilities under I-GAAP. In IND AS the same was regrouped under Other Equity as Equity Component of Debt Instrument.

Notes on Financial Statements for the year ended 31st March, 2017

24.2 Reconciliation of Reserve between IndAS and Previous GAAP (₹ in lakh)

Sr No	Nature of adjustments	Notes	Year ended 31 March, 2016	As at 31 March, 2016	As at 1 April, 2015
	Net Profit / Reserves as per Previous Indian GAAP		**(11 15.34)**	**(29 03.84)**	**(29 03.84)**
1	Profit / (Loss) for the year		-	(12 34.96)	-
2	Other Comprehensive income	I	(1 19.62)	-	-
	Total		**(1 19.62)**	**(12 34.96)**	**-**
	Net profit before OCI / Reserves as per Ind AS		**(12 34.96)**	**(41 38.80)**	**(29 03.84)**

Notes:

I As per requirement of IND AS 19, defined benefit plan for gratuity was remeasured and actuarial loss was shown under Other Current Liability as item effect of which will not be through Profit and Loss.

24.3 Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31 2016

₹ Lakhs

	Year ended 31st March 2016		
	Previous GAAP	**Effect of transition to ind AS**	**As per Ind AS balance sheet**
INCOME			
Revenue from operations			
Sale of Services	813 93.29	-	813 93.29
Other Income	1.49	-	1.49
Total Revenue	**813 94.78**	**-**	813 94.78
EXPENDITURE			
Employee Benefits Expense Note: 2	773 90.11	1 19.62	775 09.73
Finance Costs	-	-	-
Depreciation/Amortisation and Depletion Expense	-	-	-
Other Expenses	51 20.01	-	51 20.01
Total Expenses	**825 10.12**	1 19.62	826 29.74
Profit Before Tax	(11 15.34)	(1 19.62)	(12 34.96)
Tax Expenses:	-	-	-
Current Tax	-	-	-
Deferred Tax	-	-	-
Profit for the year	(11 15.34)	(1 19.62)	(12 34.96)
Other Comprehensive Income			
Remeasurement of defined benefit plan Note: 2	-	1 19.62	1 19.62
Total comprehensive income for the year attributable to equity holders	(11 15.34)	-	(11 15.34)

Note: Refer Note 1 with reconciliation of elements of retained earnings.

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants
Firm Regn No. - 101720W

Jignesh Mehta
Partner
Mem. No. - 102749

Mumbai
April 20, 2017

For and on behalf of the Board

Sanjay Jog Director	**CS Anilkumar** Director	**K Sudarshan** Director
Pramod Bhawalkar Director	**Jagmohan Bhamri** Director	**Geeta Fulwadaya** Director