# RELIANCE PROLIFIC COMMERCIAL PRIVATE LIMITED

## FINANCIAL STATEMENTS

## 2017-18

# Independent Auditor's Report

**TO THE MEMBERS OF RELIANCE PROLIFIC COMMERCIAL PRIVATE LIMITED**

**Report on the financial statements**

We have audited the accompanying financial statements of **Reliance Prolific Commercial Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, 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, profit or loss, 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 judgement, 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, 2018, 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of 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.

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

**Jignesh Mehta**
Partner
Membership No.: 102749

Place : Mumbai
Date : 23rd April, 2018

**"Annexure A" to the Independent Auditors' Report on the Financial Statements of Reliance Prolific Commercial Private 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) According to the information and explanations given to us and the title deeds and other records examined by us, we report that the title deeds in respect of all the immovable properties of lands which are freehold and disclosed as fixed assets in the financial statement and buildings are held in the Company's name or in the Company's erstwhile name as at the balance sheet date.

ii) As the Company has no Inventories, clause (ii) paragraph 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 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, goods and 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 March 31, 2018 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, goods and 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 loans from financial institutions or banks or government or by issue of debentures and 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) and term loans have 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 : 23rd April, 2018

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE PROLIFIC COMMERCIAL PRIVATE 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 PROLIFIC COMMERCIAL PRIVATE LIMITED** ("the Company") as of 31st March, 2018 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, 2018, 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 ICAI.

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

**Jignesh Mehta**
Partner
Membership No.: 102749

Place: Mumbai
Date : 23rd April, 2018

# Balance Sheet as at 31st March, 2018

Amount in ₹

| | Notes | As at 31st March, 2018 | As at 31st March 2017 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| Property, Plant and Equipment | **1** | **630 21 67 506** | 634 35 76 058 |
| Capital Work-in-Progress | **1** | **4 05 38 412** | 1 42 39 669 |
| Other Non-Current Assets | **2** | **58 51 027** | 57 37 546 |
| **Total Non-Current Assets** | | **634 85 56 945** | 636 35 53 273 |
| **Current Assets** | | | |
| Financial Assets | | | |
| Trade Receivables | **3** | **4 37 04 527** | - |
| Cash and Cash Equivalents | **4** | **76 56 991** | 37 75 583 |
| Current Tax Assets (Net) | **5** | **36 96 104** | 32 289 |
| Other Current Assets | **6** | **34 43 574** | 7 34 654 |
| **Total Current Assets** | | **5 85 01 196** | 45 42 526 |
| **Total Assets** | | **640 70 58 141** | 636 80 95 799 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity Share Capital | **7** | **1 00 00 000** | 1 00 00 000 |
| Other Equity | **8** | **631 51 92 577** | 630 61 60 443 |
| **Total Equity** | | **632 51 92 577** | 631 61 60 443 |
| **Liabilities** | | | |
| **Non-Current Liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | **9** | **6 88 00 000** | 3 45 00 000 |
| Other Non-Current Liabilities | **10** | **2 00 000** | 1 20 000 |
| **Total Non-Current Liabilities** | | **6 90 00 000** | 3 46 20 000 |
| **Current Liabilities** | | | |
| Other Current Liabilities | **11** | **1 28 65 564** | 1 73 15 356 |
| **Total Current Liabilities** | | **1 28 65 564** | 1 73 15 356 |
| **Total Liabilities** | | **8 18 65 564** | 5 19 35 356 |
| **Total Equity and Liabilities** | | **640 70 58 141** | 636 80 95 799 |
| Significant Accounting Policies | | | |
| See accompanying Notes to the Financial Statements | **1 to 26** | | |

As per our Report of even date

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

**Jignesh Mehta**
Partner
Membership No: 102749

Mumbai
Dated : 23rd April, 2018

For and on behalf of the Board

**Raman Seshadri**
Director
(DIN : 05244442)

**S. K. Bhardwaj**
Director
(DIN : 00001584)

**Pramod Bhawalkar**
Director
(DIN : 01114946)

**B. Chandrasekaran**
Director
(DIN : 06670563)

**Saravanan Viswanathan**
Director
(DIN : 05244819)

# Statement of Profit and Loss for the year ended 31st March, 2018

Amount in ₹

| | Notes | 2017-18 | 2016-17 |
|---|---|---|---|
| **INCOME** | | | |
| **Revenue from Operations** | | | |
| Income from Services | **12** | **6 19 37 785** | - |
| Other Income | **13** | **2 72 287** | 5 34 949 |
| **Total Income** | | **6 22 10 072** | 5 34 949 |
| **EXPENSES** | | | |
| Finance Costs | **14** | **54 98 242** | 42 934 |
| Depreciation and Amortisation Expense | **1** | **4 14 08 552** | 1 36 32 134 |
| Other Expenses | **15** | **59 62 055** | 7 33 366 |
| **Total Expenses** | | **5 28 68 849** | 1 44 08 434 |
| **Profit/(Loss) Before Tax** | | **93 41 223** | (1 38 73 485) |
| **Tax Expenses** | | | |
| Current Tax | | **3 09 089** | - |
| For earlier years | | **-** | 48 854 |
| Deferred Tax | | - | - |
| **Profit For the Year** | | **90 32 134** | (1 39 22 339) |
| **Other Comprehensive Income :** | | | |
| **a} Items that will be reclassified to Profit or Loss** | | **-** | - |
| **b} Items that will not be reclassified to Profit or Loss** | | **-** | - |
| **Total comprehensive income for the year** | | **90 32 134** | (1 39 22 339) |
| **Earnings per equity share of face value of ₹ 10 each** | | | |
| Basic (in ₹ ) | **16** | **9.03** | (13.92) |
| Diluted (in ₹ ) | **16** | **0.02** | (13.92) |
| Significant Accounting Policies | | | |
| See accompanying Notes to the Financial Statements | **1 to 26** | | |

As per our Report of even date

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

**Jignesh Mehta**
Partner
Membership No: 102749

Mumbai
Dated : 23rd April, 2018

For and on behalf of the Board

**Raman Seshadri**
Director
(DIN : 05244442)

**S. K. Bhardwaj**
Director
(DIN : 00001584)

**Pramod Bhawalkar**
Director
(DIN : 01114946)

**B. Chandrasekaran**
Director
(DIN : 06670563)

**Saravanan Viswanathan**
Director
(DIN : 05244819)

# Statement of Changes in Equity for the year ended 31st March, 2018

**A. Equity Share Capital**

Amount in ₹

| Balance at the beginning of the reporting period i.e. 1st April, 2016 | Changes in equity share capital during the year 2016-17 | Balance at the end of the reporting period i.e. 31st March, 2017 | Changes in equity share capital during the year 2017-18 | Balance at the end of the reporting period i.e. 31st March, 2018 |
|---|---|---|---|---|
| 1 00 00 000 | - | 1 00 00 000 | - | 1 00 00 000 |

**B. Other Equity**

Amount in ₹

| | Reserve and Surplus | | | Instruments Classified as Equity* | Total |
|---|---|---|---|---|---|
| | Retained Earnings | Debenture Redemption Reserve | Securities Premium Account | | |
| **AS ON 31st March 2017** | | | | | |
| Balance at beginning of reporting period i.e. 1st April, 2016 | **217 36 82 782** | **-** | **331 33 60 000** | **80 74 40 000** | **629 44 82 782** |
| Add: Total Comprehensive Income for the year | **(1 39 22 339)** | **-** | **-** | **-** | **(1 39 22 339)** |
| Add: Debentures issued during the year | **-** | **-** | **-** | **2 56 00 000** | **2 56 00 000** |
| **Balance at the end of the reporting period i.e. 31st March, 2017** | **215 97 60 443** | **-** | **331 33 60 000** | **83 30 40 000** | **630 61 60 443** |
| **AS ON 31st March, 2018** | | | | | |
| Balance at beginning of reporting period i.e. 1st April, 2017 | **215 97 60 443** | **-** | **331 33 60 000** | **83 30 40 000** | **630 61 60 443** |
| Add: Total Comprehensive Income for the year | **90 32 134** | **-** | **-** | **-** | **90 32 134** |
| Add: Transfer to / (from) retained earnings | **( 90 32 133)** | **90 32 133** | **-** | **-** | **-** |
| **Balance at the end of the reporting period i.e. 31st March, 2018** | **215 97 60 444** | **90 32 133** | **331 33 60 000** | **83 30 40 000** | **631 51 92 577** |

* For further details Refer No. 8

As per our Report of even date

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

**Jignesh Mehta**
Partner
Membership No: 102749

Mumbai
Dated : 23rd April, 2018

For and on behalf of the Board

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**B. Chandrasekaran**
Director
(DIN : 06670563)

**Saravanan Viswanathan**
Director
(DIN : 05244819)

# Cash Flow Statement for the year ended 31st March, 2018

| | | | Amount in ₹ |
|---|---|---|---|
| | | **2017-18** | 2016-17 |
| **A** | **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| | **Net Profit / (Loss) before tax as per Statement of Profit and Loss** | **93 41 223** | (1 38 73 485) |
| | Adjusted for : | | |
| | Depreciation and Amortisation Expenses | **4 14 08 552** | 1 36 32 134 |
| | Interest Income | **( 2 72 287)** | ( 5 34 949) |
| | Finance Cost | **54 98 242** | 42 934 |
| | **Operating Profit / (Loss) before Working Capital Changes** | **5 59 75 730** | ( 7 33 366) |
| | Adjusted for : | | |
| | Trade and Other Receivables | **(4 64 13 447)** | 18 70 459 |
| | Trade and Other Payables | **( 32 19 993)** | 31 18 578 |
| | **Cash Generated from Operations** | **63 42 290** | 42 55 671 |
| | Tax Paid (net) | **39 72 904** | 2 301 |
| | **Net Cash flow from Operating Activities** | **23 69 386** | 42 53 370 |
| **B** | **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| | Purchase of Tangible and Intangible Assets | **(2 62 98 743)** | (6 30 33 858) |
| | Movement in Security Deposits | **( 1 13 481)** | - |
| | Investment in Fixed Deposit | **( 8 30 225)** | |
| | Interest Income | **2 72 287** | 5 34 949 |
| | **Net Cash flow (used in) Investing Activities** | **(2 69 70 162)** | (6 24 98 909) |
| **C** | **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| | Proceeds from Borrowings - Non Current | **5 13 00 000** | 6 24 60 000 |
| | Repayment of Borrowings - Non Current | **(1 70 00 000)** | (3 00 60 000) |
| | Proceeds from Issue of Debentures | **-** | 2 56 00 000 |
| | Interest Paid | **( 66 48 041)** | 3 11 228 |
| | **Net Cash Generated from Financing Activities** | **2 76 51 959** | 5 83 11 228 |
| | **Net Increase in Cash and Cash Equivalents** | **30 51 183** | 65 689 |
| | **Opening Balance of Cash and Cash Equivalents** | **6 29 124** | 5 63 435 |
| | **Closing Balance of Cash and Cash Equivalents (Refer Note No. 4)** | **36 80 307** | 6 29 124 |

As per our Report of even date

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

**Jignesh Mehta**
Partner
Membership No: 102749

Mumbai
Dated : 23rd April, 2018

For and on behalf of the Board

**Raman Seshadri**
Director
(DIN : 05244442)

**S. K. Bhardwaj**
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(DIN : 00001584)

**Pramod Bhawalkar**
Director
(DIN : 01114946)

**B. Chandrasekaran**
Director
(DIN : 06670563)

**Saravanan Viswanathan**
Director
(DIN : 05244819)

# Notes to the Financial Statement for the year ended 31st March, 2018

**A. CORPORATE INFORMATION**

Reliance Prolific Commercial Private Limited ['the company'] is a public limited company incorporated in India having its registered office at 4th Floor, Court House, Dhobi Talao, Lokmanya Tilak Marg, Mumbai- 400002. The principal activity of the company is business of real estate and development of commercial properties in India.

**B. ACCOUNTING POLICIES**

**B.1 BASIS OF PREPARATION AND PRESENTATION**

The financial statements have been prepared on the historical cost basis except for certain assets and liabilities which has been measured at fair value as per requirement of IndAS.

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.

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 trade discount and rebates less accumulated depreciation and accumulated impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use. In case of land the company has availed fair value as deemed cost on the date of transition to Ind AS.

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.

Depreciation on property, plant and equipment is provided using straight line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except for premium paid on Leasehold Land which is amortised over the period of the lease. 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) 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.

**Company as a lessee**

A leased asset is amortised over the period of the lease.

**(c) Intangible Assets:**

Intangible Assets are stated at cost of acquisition. Intangible Assets are annually tested for impairment.

**(d) Finance Costs:**

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

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

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

# Notes to the Financial Statement for the year ended 31st March, 2018

**(e) 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 asset, 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 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.

**(f) 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.

**(g) Tax Expenses**

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 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 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.

**(h) Cash and cash equivalents**

Cash and cash equivalents includes cash in hand and deposits with any qualifying financial institution repayable on demand or maturing within three months of the date of acquisition and which are subject to an insignificant risk of change in value.

**(i) 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 profit or 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. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2016 which are related to the acquisition or construction of fixed assets are adjusted in the carrying cost of such assets.

# Notes to the Financial Statement for the year ended 31st March, 2018

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

**(j) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue 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 services, goods and services tax, adjusted for discounts (net)..

**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.

**(k) 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. Regular way 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. Investment in Subsidiaries /Associates**

The Company has accounted for its investments in subsidiaries, associates and joint venture at cost at cost less impairment loss (if any).

**D. Other Equity Investments**

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

# Notes to the Financial Statement for the year ended 31st March, 2018

**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:

(a) 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

(b) 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 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.

**iv) Offsetting**

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

**C. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:**

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**(a) Depreciation and useful lives of property plant and equipment**

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.

# Notes to the Financial Statement for the year ended 31st March, 2018

**(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 requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

**(d) Impairment of non-financial assets:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a 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 transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

**(e) Impairment of financial assets**

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

**D. Standards issued but not effective**

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

**a) Issue of Ind AS 115 - Revenue from Contracts with Customers**

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

**b) Amendment to Existing issued Ind AS**

The MCA has also carried out amendments of the following accounting standards:

i. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

ii. Ind AS 40 - Investment Property

iii. Ind AS 12 - Income Taxes

iv. Ind AS 28 - Investments in Associates and Joint Ventures and

v. Ind AS 112 - Disclosure of Interests in Other Entities

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

# Notes to the financial statements for the year ended 31st March, 2018

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

Amount in ₹

| Description | Gross Block | | | | Depreciation/ Amortisation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01-04-2017 | Additions/ Adjustments | Deductions/ Adjustments | **As at 31-03-2018** | As at 01-04-2017 | For the year | Deductions/ Adjustments | **As at 31-03-2018** | **As at 31-03-2018** | As at 31-03-2017 |
| **Property, Plant and Equipment Own Assets** | | | | | | | | | | |
| Freehold Land | 521 81 77 773 | - | - | 521 81 77 773 | - | - | - | - | 521 81 77 773 | 521 81 77 773 |
| Buildings | 80 94 55 235 | - | - | 80 94 55 235 | 44 72 333 | 1 34 90 922 | - | 1 79 63 255 | 79 14 91 980 | 80 49 82 902 |
| Plant & Machinery | 59 32 507 | - | - | 59 32 507 | 3 27 785 | 9 88 759 | - | 13 16 544 | 46 15 963 | 56 04 722 |
| Electrical Installations | 15 71 53 343 | - | - | 15 71 53 343 | 52 09 749 | 1 57 15 344 | - | 2 09 25 093 | 13 62 28 250 | 15 19 43 594 |
| Equipments | 16 30 62 489 | - | - | 16 30 62 489 | 35 08 662 | 1 08 70 841 | - | 1 43 79 503 | 14 86 82 986 | 15 95 53 827 |
| Furniture & Fixtures | 34 26 845 | - | - | 34 26 845 | 1 13 605 | 3 42 686 | - | 4 56 291 | 29 70 554 | 33 13 240 |
| **Total** | **635 72 08 192** | **-** | **-** | **635 72 08 192** | **1 36 32 134** | **4 14 08 552** | **-** | **5 50 40 686** | **630 21 67 506** | **634 35 76 058** |
| *Previous Year* | 521 81 77 773 | 113 90 30 419 | - | 635 72 08 192 | - | 1 36 32 134 | - | 1 36 32 134 | 634 35 76 058 | |
| ***Capital Work-in-Progress**** | | | | | | | | | 4 05 38 412 | 1 42 39 669 |

**1.1** *Capital Work in Progress includes.

Capital Goods Inventory ₹ 10 42 204 (Previous year ₹ 21 56 033)

# Notes to the financial statements for the year ended 31st March, 2018

Amount in ₹

| | | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|---|
| **2** | **Other Non-Current Assets** | | |
| | (Unsecured and Considered good) | | |
| | Security Deposits | **58 51 027** | 57 37 546 |
| | **Total** | **58 51 027** | 57 37 546 |

Amount in ₹

| | | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|---|
| **3** | **Trade Receivables** | | |
| | (Unsecured and Considered good) | | |
| | Receivable from Related parties | **4 36 96 800** | - |
| | Other Trade Receivables | **7 727** | - |
| | **Total** | **4 37 04 527** | - |

Amount in ₹

| | | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|---|
| **4** | **Cash and Cash Equivalents** | | |
| | Balance With Bank | **36 80 307** | 6 29 124 |
| | Fixed Deposits With Bank * | **39 76 684** | 31 46 459 |
| | **Cash and Cash Equivalents as per Balance Sheet** | **76 56 991** | 37 75 583 |

*Fixed Deposit with banks includes deposit of ₹ 39 76 684 (Previous year ₹ 31 46 459) with maturity more than 12 months

Amount in ₹

| | | Year ended 31st March, 2018 | Year ended 31st March, 2017 |
|---|---|---|---|
| **5** | **Taxation** | | |
| | a) **Income tax recognised in Statement of Profit and Loss** | | |
| | **Current Tax** | | |
| | In respect of the current year | **3 09 089** | - |
| | In respect of earlier years | **-** | 48 854 |
| | **Deferred Tax** | | |
| | In respect of the current year | **-** | **-** |
| | Total income tax expenses recognised in the current year | **3 09 089** | 48 854 |

# Notes to the financial statements for the year ended 31st March, 2018

The income tax expenses for the year can be reconciled to the accounting profit as follows:

| | Year ended 31st March, 2018 | Year ended 31st March, 2017 |
|---|---|---|
| Profit before tax | **93 41 223** | (1 38 73 485) |
| Applicable Tax Rate | **25.75%** | 30.90% |
| Computed Tax Expense | **3 09 089** | - |
| Adjustments in relation to the prior years recognised in the current year | **-** | 48 854 |
| **Current tax Provision** | **3 09 089** | 48 854 |
| Tax Expenses recognised in Statement of Profit and Loss | **3 09 089** | 48 854 |

The income tax expenses for the year can be reconciled to the accounting profit as follows:

| | | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|---|
| b) | **Current Tax Assets (Net)** | | |
| | At start of the year | **32 289** | 78 842 |
| | Charge for the Year | **( 3 09 089)** | |
| | Adjustments in relation to the prior years recognised in the current year | | ( 48 854) |
| | Tax paid / (refund received) during the year | **39 72 904** | 2 301 |
| | At end of the year | **36 96 104** | 32 289 |

Amount in ₹

| | | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|---|
| 6 | **Other Current Assets** | | |
| | (Unsecured and Considered good) | | |
| | Others | **34 43 574** | 7 34 654 |
| | **Total** | **34 43 574** | 7 34 654 |

Amount in ₹

| | | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|---|
| | | **Units** | **Amount** | **Units** | **Amount** |
| 7 | **Share Capital** | | | | |
| | **Authorised Share Capital** | | | | |
| | Class A Equity Shares of ₹ 10 each | **10 00 000** | **1 00 00 000** | 10 00 000 | 1 00 00 000 |
| | Class B Equity Shares of ₹ 10 each | **7 50 000** | **75 00 000** | 7 50 000 | 75 00 000 |
| | Preference shares of ₹ 10 each | **7 50 000** | **75 00 000** | 7 50 000 | 75 00 000 |
| | | | **2 50 00 000** | | 2 50 00 000 |
| | **Issued, Subscribed and Paid-Up:** | | | | |
| | Class A Equity Shares of ₹ 10 each fully paid up | **10 00 000** | **1 00 00 000** | 10 00 000 | 1 00 00 000 |
| | **Total** | | **1 00 00 000** | | 1 00 00 000 |

# Notes to the financial statements for the year ended 31st March, 2018

**The reconciliation of the number of outstanding shares is set out below:**

| | **As at 31st March, 2018** | As at 31st March, 2017 |
|---|---|---|
| Equity Shares | | |
| Shares outstanding at the beginning of the year | **10 00 000** | 10 00 000 |
| Add: Shares Issued during the year | **-** | - |
| Shares outstanding at the end of the year | **10 00 000** | 10 00 000 |

**The details of shareholder holding more than 5% shares :**

| | **As at 31st March, 2018** | | As at 31st March, 2017 | |
|---|---|---|---|---|
| **Name of Shareholder** | **No. of Shares held** | **% of Holding** | No. of Shares held | % of Holding |
| Equity Shares | | | | |
| Reliance Industrial Investments and Holdings Limited | **10 00 000** | **100.00** | 10 00 000* | 100.00 |
| | **10 00 000** | **100.00** | 10 00 000 | 100.00 |

* Held by Reliance Commercial Land and Infrastructure Limited, Refer Note 7.2

**7.1** The Equity Shareholder is eligible for one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

**7.2** Consequent upon the Scheme of Amalgamation, Reliance Commercial Land & Infrastructure Limited has merged with Reliance Industrial Investments and Holdings Limited vide National Company Law Tribunal Order dated November 2, 2017.

**7.3** Of the above Class A equity shares 10 00 000 (Previous year 10 00 000) are held by Reliance Industrial Investments and Holdings Limited, the Holding Company.

Amount in ₹

| **8 Other Equity** | | **As at 31st March, 2018** | | As at 31st March, 2017 |
|---|---|---|---|---|
| **Retained Earnings** | | | | |
| As per Last Balance Sheet | **215 97 60 443** | | 217 36 82 782 | |
| Add: Profit for the year | **90 32 134** | | (1 39 22 339) | |
| Add: Other comprehensive Income | **-** | | - | |
| Add : Transfer from Retained Earnings | **(90 32 133)** | | | |
| | | **215 97 60 444** | | 215 97 60 443 |
| **Debenture Redemption Reserve** | | | | |
| As per Last Balance Sheet | **-** | | - | |
| Add : Transfer from Retained Earnings | **90 32 133** | | - | |
| | | **90 32 133** | | - |
| **Securities Premium Account** | | | | |
| As per Last Balance Sheet | **331 33 60 000** | | 331 33 60 000 | |
| Add : Taken during the year | **-** | | - | |
| | | **331 33 60 000** | | 331 33 60 000 |

# Notes to the financial statements for the year ended 31st March, 2018

| | | | | |
|---|---|---|---|---|
| **Instruments classified as Equity** | | | | |
| **10% Non Cumulative Optionally Convertible Preference Shares** | | | | |
| As per last Balance Sheet | **66 40 000** | | 66 40 000 | |
| Add: Preference Shares issued during the year | **-** | | - | |
| | | **66 40 000** | | 66 40 000 |
| **Zero Coupon Unsecured Optionally Fully Convertible Debentures** | | | | |
| As per Last Balance Sheet | **82 64 00 000** | | 80 08 00 000 | |
| Add: Debentures taken / (refund) during the year | **-** | | 2 56 00 000 | |
| | | **82 64 00 000** | | 82 64 00 000 |
| **Total** | | **631 51 92 577** | | 630 61 60 443 |

8.1 6 64 000 fully paid (Previous year 6 64 000) 10% Non Cumulative Optionally Convertible Redeemable Preference shares of ₹ 10 each held by Reliance Industries Limited, the Ultimate Holding Company. These Preference Shares shall carry a preferential right over the Equity shares of the Company as regards to payment of dividend and repayment of capital, in the event of winding-up of the Company. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. The Company (issuer) & Preference-holder will have an option for early conversion at any time after allotment of the Preference Shares by giving one month notice to the Company. The Preference Shares shall, unless converted, are redeemable at the end of 20 year from the date of allotment i.e. 13th March, 2009 or earlier as may be decided by the Company. Each Preference Share may, at the option of the holder and the Company, be converted into 500 (five hundred) Class B Equity Shares at any time from the date of its allotment upto the date of redemption. The Original Allottee, i.e. Reliance Industries Limited has the right to hold all the immovable properties for the time being of the Company.

**The reconciliation of the number of outstanding shares is set out below:**

| | **As at 31st March, 2018 No. of Shares** | As at 31st March, 2017 No. of Shares |
|---|---|---|
| Shares outstanding at the beginning of the year | **6 64 000** | 6 64 000 |
| Add: Shares Issued during the year | **-** | - |
| Shares outstanding at the end of the year | **6 64 000** | 6 64 000 |

8.2 8 26 40 000 fully paid (previous year 8 26 40 000) Zero Coupon Unsecured Optionally Fully Convertible Debentures (OFCD) of ₹ 10 each held by Reliance Industries Limited and Reliance Industrial Investments and Holdings Limited. The Company (issuer) & Debenture-holder will have an option for early conversion at any time after allotment of the OFCDs by giving one month notice to the Company. The conversion will be based on higher of book value or face value as at March 31, 2015. The equity shares arising out of conversion of the OFCDs will rank pari passu in all respects with the then outstanding equity shares of the Company on the date of such conversion, except for dividend, which if declared, shall be paid on pro-rata basis from the date of allotment of such Equity Shares. The Company will settle the outstanding OFCDs on expiry of 15 years. Since the OFCDs are unsecured, no security is required to be created.

8.3 Debenture Redemption Reserve (DRR) required to be created for the year is ₹ 3,27,06,195/-, due to inadequate profit for the year company has created DRR to the extent of profit for the year i.e. ₹ 90,32,133/-, balance will be created in the year of profit in terms of section 71(4) of the Companies Act, 2013 and Rule 18(7) of the Companies (Share Capital and Debenture) Rules, 2014.

8.4 The Preference Shares shall carry a preferential right over the Equity shares of the Company as regards to payment of dividend and repayment of capital, in the event of winding-up of the Company. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

# Notes to the financial statements for the year ended 31st March, 2018

Amount in ₹

| 9 | Borrowings | As at 31st March, 2018 | | As at 31st March, 2017 | |
|---|---|---|---|---|---|
| | | **Non Current** | **Current** | Non Current | Current |
| | **Unsecured - At Amortised Cost** | | | | |
| | Loan from the Holding Company # | **6 88 00 000** | **-** | 3 45 00 000 | - |
| | **Total** | **6 88 00 000** | **-** | 3 45 00 000 | - |

# Loan referred above is repayable over a period of 4 to 5 years.

Amount in ₹

| | | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|---|
| 10 | **Other Non-Current Liabilities** | | |
| | Deposit from Customers | **2 00 000** | 120 000 |
| | **Total** | **2 00 000** | 120 000 |

Amount in ₹

| | | As at 31st March, 2018 | As at 31st March, 2017 |
|---|---|---|---|
| 11 | **Other Current Liabilities** | | |
| | Creditors for Capital Expenditure | **53 74 287** | 1 57 72 834 |
| | Interest accrued but not due | **-** | 11 49 799 |
| | Other Payables * | **74 91 277** | 3 92 723 |
| | **Total** | **1 28 65 564** | 1 73 15 356 |

*Includes statutory dues

Amount in ₹

| | | 2017-18 | 2016-17 |
|---|---|---|---|
| 12 | **Revenue from Operations** | | |
| | Income from Services | **7 30 81 486** | - |
| | Less : Service Tax / GST Recovered | **(1 11 43 701)** | - |
| | | **6 19 37 785** | - |

Amount in ₹

| | | 2017-18 | 2016-17 |
|---|---|---|---|
| 13 | **Other Income** | | |
| | **Interest** | | |
| | From Deposit | **2 72 287** | 3 22 882 |
| | From Others | **-** | 2 12 067 |
| | | **2 72 287** | 5 34 949 |

# Notes to the financial statements for the year ended 31st March, 2018

| | | | | | Amount in ₹ |
|---|---|---|---|---|---|
| | | | **2017-18** | | 2016-17 |
| **14** | **Finance Costs** | | | | |
| | Interest Expenses* | | **54 98 242** | | 42 934 |
| | | | **54 98 242** | | 42 934 |

* Interest Expenses are net of Interest Capitalised of ₹ Nil (Previous Year ₹ 42,934)

| | | | | | Amount in ₹ |
|---|---|---|---|---|---|
| **15** | **Other Expenditure** | | **2017-18** | | 2016-17 |
| | Filing Fees | | **5 430** | | 16 800 |
| | General Expenses | | **-** | | 328 |
| | Sitting Fees - Directors | | **5 12 500** | | 5 63 000 |
| | Security Expenses | | **14 88 000** | | - |
| | Professional Fees | | **9 30 625** | | 1 23 712 |
| | Rates and Taxes | | **30 02 500** | | 2 500 |
| | Payment to Auditors | | | | |
| | Audit Fees | **18 000** | | 19 550 | |
| | Tax Audit Fees | **5 000** | | - | |
| | Certification Fees | **-** | | 7 476 | |
| | | | **23 000** | | 27 026 |
| | **Total** | | **59 62 055** | | 7 33 366 |

| | | | |
|---|---|---|---|
| **16** | **Earnings per share** | **2017-18** | 2016-17 |
| | **Face Value per Equity Share (₹)** | **10** | 10 |
| | **Basic Earnings per Share (₹)** | **9.03** | (13.92) |
| | Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹) | **90 32 134** | (1 39 22 339) |
| | Weighted Average number of Equity Shares used as denominator for calculating Basic EPS | **10 00 000** | 10 00 000 |
| | **Diluted Earnings per Share (₹)** | **0.02** | (13.92) |
| | Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹) | **90 32 134** | (1 39 22 339) |
| | Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS | **41 56 40 000** | 41 41 95 342 |
| | **Reconciliation of weighted average number of shares outstanding** | | |
| | Weighted Average number of Equity Shares used as denominator for calculating Basic EPS | **10 00 000** | 10 00 000 |
| | Weighted Average Potential Equity Shares | **41 46 40 000** | 41 31 95 342 |
| | Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS | **41 56 40 000** | 4141 95 342 |

Diluted EPS is same as Basic EPS for previous year, being antidilutive.

**17** The Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

# Notes to the financial statements for the year ended 31st March, 2018

**18 Segment Reporting**

The Company is primarily engaged in the business of real estate and development of commercial properties in India. 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 Reporting". The Board (the 'Chief Operating Decision Maker' as defined in Ind AS 108 'Operating Segments'), who is responsible for allocating resources and assessing performance obtains financial information.

Revenue from one Customer contributed 10% or more to the Company's revenue for 2017-18.

**19 Related Party**

**i) As per Ind AS 24, the disclosures of transactions with the related parties are given below:**

List of related parties where control exists and 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 Industrial Investments and Holdings Limited | Holding Company from 18/12/2017 |
| 3 | Reliance Commercial Land & Infrastructure Limited | Holding Company upto 17/12/2017 |
| 4 | Reliance Retail Limited | |
| 5 | Reliance Corporate IT Park Limited | Fellow Subsidiary Company |
| 6 | Reliance Jio Infocomm Limited | |

**ii) Transactions during the year with related parties (excluding reimbursements):** Amount in ₹

| Sr. No. | Nature of Transaction | Ultimate Holding Company | Holding Company | Fellow Subsidiary Companies | Total |
|---|---|---|---|---|---|
| 1 | Loans Taken / (Repaid) | **-** | **3 43 00 000** | - | **3 43 00 000** |
| | | - | *3 24 00 000* | - | *3 24 00 000* |
| 2 | Issue of Zero Coupon Unsecured Optionally Fully Convertible Debentures | **-** | **-** | **-** | **-** |
| | | *2 56 00 000* | - | - | *2 56 00 000* |
| 3 | Finance Costs | - | **54 98 242** | **-** | **54 98 242** |
| | | **-** | *42 934* | **-** | *42 934* |
| 4 | Purchase of Fixed Assets | **-** | **-** | **45 765** | **45 765** |
| | | - | *12 34 621* | *13 991* | *12 48 612* |
| 5 | Sale of Fixed Assets | **-** | **-** | **26 41 789** | **26 41 789** |
| | | - | - | - | - |
| 6 | Professional Fees | **8 00 625** | **-** | **-** | **8 00 625** |
| | | - | - | - | - |
| 7 | Sale of Services | **-** | **-** | **7 25 45 220** | **7 25 45 220** |
| | | - | - | - | - |

# Notes to the financial statements for the year ended 31st March, 2018

| | | | | | |
|---|---|---|---|---|---|
| | **Balance as at 31st March, 2018** | | | | |
| 1 | Equity Share Capital | - | **1 00 00 000** | - | **1 00 00 000** |
| | | - | *1 00 00 000* | - | *1 00 00 000* |
| 2 | Preference Share Capital | **332 00 00 000** | - | - | **332 00 00 000** |
| | (including premium) | *332 00 00 000* | - | - | *332 00 00 000* |
| 3 | Loans Taken | - | **6 88 00 000** | - | **6 88 00 000** |
| | | - | *3 45 00 000* | - | *3 45 00 000* |
| 4 | Interest Payables | - | - | - | - |
| | | - | *11 49 799* | - | *11 49 799* |
| 5 | Zero Coupon Unsecured Fully Convertible Debentures | **37 57 00 000** | **45 07 00 000** | - | **82 64 00 000** |
| | | *37 57 00 000* | *45 07 00 000* | - | *82 64 00 000* |
| 6 | Trade Receivables | - | - | **4 36 96 800** | **4 36 96 800** |
| | | - | - | - | - |
| 7 | Other Current Assets | - | - | **2 87 889** | **2 87 889** |
| | | - | - | - | - |
| 8 | Other Current Liabilities | **8 64 675** | - | **45 765** | **9 10 440** |
| | | - | - | - | - |

Note : Figures in Italics represents previous year's amount.
* Includes reimbursements

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

Amount in ₹

| | **Particulars** | **Relationship** | **2017-18** | **2016-17** |
|---|---|---|---|---|
| 1 | **Loans Taken / (Repaid)** | | | |
| | Reliance Industrial Investments and Holdings Limited | Holding Company | **5 13 00 000** | 6 24 60 000 |
| | Reliance Industrial Investments and Holdings Limited | Holding Company | **(1 70 00 000)** | (3 00 60 000) |
| 2 | **Issue of Zero Coupon Unsecured Optionally Fully Convertible Debentures** | | | |
| | Reliance Industries Limited | Ultimate Holding Company | **-** | 2 56 00 000 |
| 3 | **Finance Costs** | | | |
| | Reliance Industrial Investments and Holdings Limited | Holding Company | **54 98 242** | 42 934 |
| 4 | **Purchase of Fixed Assets** | | | |
| | Reliance Industrial Investments and Holdings Limited | Holding Company | **-** | 12 34 621 |
| | Reliance Retail Limited | Fellow Subsidiary Company | **45 765** | 13 991 |
| 5 | **Sale of Fixed Assets** | | | |
| | Reliance Corporate IT Park Limited | Fellow Subsidiary Company | **23 85 889** | - |
| | Reliance Jio Infocomm Limited | Fellow Subsidiary Company | **2 55 900** | - |
| 6 | **Professional Fees** | | | |
| | Reliance Industries Limited | Ultimate Holding Company | **8 00 625** | - |
| 7 | **Sale of Services** | | | |
| | Reliance Corporate IT Park Limited | Fellow Subsidiary Company | **7 25 45 220** | - |

# Notes to the financial statements for the year ended 31st March, 2018

**Notes :**

1 Consequent upon the Scheme of Amalgamation, Reliance Commercial Land & Infrastructure Limited has merged with Reliance Industrial Investments and Holdings Limited vide National Company Law Tribunal Order dated November 2, 2017.

**20 Lease**

a) Lease rental incomes are booked on the basis of agreed terms

b) Assets are given on lease over a period of 11 months to 59 months.

**21** Deferred tax assets (net) as at Balance Sheet date consists of the following items. As a matter of prudence, the Company has not recognised deferred tax assets in the books of accounts

| **Deferred Tax (assets)/ liabilities** | | Amount in ₹ |
|---|---|---|
| | **31st March, 2018** | 31st March, 2017 |
| **Deferred Tax Assets** | | |
| Carried forward Loss and Unabsorbed Depreciation under Income Tax Act, 1961 | **2 09 84 560** | - |
| Related to Property, Plant & Equipment | **29 86 52 420** | 28 00 64 255 |
| **Deferred Tax Asset** | **31 96 36 980** | 28 00 64 255 |

| | | Amount in ₹ |
|---|---|---|
| **22 Contingent Liabilities and Commitments** | **As at 31st March, 2018** | As at 31st March, 2017 |
| A Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for: | **42 62 279** | 7 96 71 482 |

**23 Capital management**

The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders. The company manages its capital structure and make adjustment in light of changes in business condition. The overall strategy remains unchanged as compared to last year.

**23.1 Net Gearing Ratio**

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

| | | Amount in ₹ |
|---|---|---|
| | **As at 31st March, 2018** | As at 31st March, 2017 |
| Gross Debt | **6 88 00 000** | 3 45 00 000 |
| Cash and Marketable Securities | **(76 56 991)** | (37 75 583) |
| **Net debt (A)** | **6 11 43 009** | 3 07 24 417 |
| **Total Equity (As per Balance Sheet) (B)** | **632 51 92 577** | 631 61 60 443 |
| **Net Gearing Ratio (A / B)** | **0.01** | 0.00 |

Debt is defined as long-term and short-term borrowings as described in note 9.

# Notes to the financial statements for the year ended 31st March, 2018

**24 Financial Instruments** Amount in ₹

| Particulars | As at 31st March, 2018 | | | As at 31st March, 2017 | | |
|---|---|---|---|---|---|---|
| | Carrying Amount | Levels of Input used in | | Carrying Amount | Levels of Input used in | |
| | | Level 1 | Level 2 | | Level 1 | Level 2 |
| **Financial Assets** | | | | | | |
| **At Amortised Cost** | | | | | | |
| Trade Receivables | 4 37 04 527 | - | - | - | - | - |
| Cash and Cash Equivalents | 76 56 991 | - | - | 37 75 583 | - | - |
| **Financial Liabilities** | | | | | | |
| **At Amortised Cost** | | | | | | |
| Borrowings | 6 88 00 000 | - | - | 3 45 00 000 | - | - |

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.

**Credit Risk**

Credit risk is the risk that counterparty to a financial instrument 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. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. Company manages liquidity risk by maintaining adequate reserves and matching maturity profiles of financial assets and financial liabilities.

**25 Details of Loans given, Investments made and Guarantees given covered under Section 186(4) of Companies Act, 2013:**

**i)** Loans given ₹ Nil (Previous year ₹ Nil)

**ii)** Investments made ₹ Nil ( Previous year ₹ Nil)

**iii)** Guarantees given by the company in respect of loans ₹ Nil ( Previous year ₹ Nil)

**26 APPROVAL OF FINANCIAL STATEMENTS**

The Financial Statements were approved for issue by the Board of Directors on 23rd April, 2018.

As per our Report of even date

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

**Jignesh Mehta**
Partner
Membership No: 102749

Mumbai
Dated : 23rd April, 2018

For and on behalf of the Board

**Raman Seshadri**
Director
(DIN : 05244442)

**S. K. Bhardwaj**
Director
(DIN : 00001584)

**Pramod Bhawalkar**
Director
(DIN : 01114946)

**B. Chandrasekaran**
Director
(DIN : 06670563)

**Saravanan Viswanathan**
Director
(DIN : 05244819)