

**RELIANCE RETAIL VENTURES LIMITED**  
**Financial Statements**  
**2018-19**

# Independent Auditor's Report

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## To the Members of RELIANCE RETAIL VENTURES LIMITED

### Report on the Audit of Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone Financial Statements of **Reliance Retail Ventures Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its Profit including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

#### Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### 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 Act, with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the Financial Position, Financial Performance including Other Comprehensive Income, Cash Flows and the Statement Of Changes in Equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the 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 fair presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

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

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "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;

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- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Standalone Financial Statements comply with the accounting standards specified under section 133 of the Act;
  - e) On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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 with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting with reference to these standalone financial statements;
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact 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 LLP**  
Chartered Accountants  
Firm Registration no. 101720W/W100355

**Rajesh D. Chaturvedi**  
Partner  
Membership No.: 45882

Place : Mumbai  
Date : April 18, 2019

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**“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF RELIANCE RETAIL VENTURES LIMITED**

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

- i) As the Company had no Fixed Assets during the year, clause (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 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) The Company has not directly or indirectly advanced loan to the person or given guarantees or securities in connection with the loan taken by persons covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act, in respect of investments, loans, guarantee or security given.
- 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, goods and service tax, duty of customs, duty of excise, 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, 2019 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, goods and service tax , duty of customs, duty of excise, 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) 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 standalone 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) The 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 the 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 standalone 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 LLP**

Chartered Accountants

Firm Registration no. 101720W/W100355

**Rajesh D. Chaturvedi**

Partner

Membership No.: 45882

Place : Mumbai

Date : April 18, 2019

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**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF RELIANCE RETAIL VENTURES 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 Retail Ventures Limited** (“the Company”) as of March 31, 2019 in conjunction with our audit of the Standalone 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 the 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 with reference to these standalone financial statements 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 with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning Of Internal Financial Controls Over Financial Reporting With Reference To These Standalone Financial Statements**

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

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**Inherent Limitations Of Internal Financial Controls Over Financial Reporting With Reference To These Standalone Financial Statements**

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

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, 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 LLP**

Chartered Accountants

Firm Registration no. 101720W/W100355

**Rajesh D. Chaturvedi**

Partner

Membership No.: 45882

Place : Mumbai

Date : April 18, 2019



## Balance Sheet as at 31st March, 2019

	Note	As at 31st March, 2019	As at 31st March, 2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Financial Assets			
Investments	1	7678 12 57 719	6991 04 11 475
Other Non-Current Assets	2	<u>5 61 94 073</u>	<u>4 43 55 924</u>
<b>Total Non-Current Assets</b>		<b>7683 74 51 792</b>	<b>6995 47 67 399</b>
<b>Current assets</b>			
Financial Assets			
Cash and Cash Equivalents	3	2 35 83 113	39 15 759
Other Financial Assets	4	16 116	1 53 785
Other Current Assets	5	<u>2 33 86 292</u>	<u>2 26 53 753</u>
<b>Total Current Assets</b>		<b><u>4 69 85 521</u></b>	<b><u>2 67 23 297</u></b>
<b>Total Assets</b>		<b><u>7688 44 37 313</u></b>	<b><u>6998 14 90 696</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	6	6000 00 00 000	6000 00 00 000
Other Equity	7	<u>1648 12 53 626</u>	<u>997 25 91 242</u>
<b>Total Equity</b>		<b>7648 12 53 626</b>	<b>6997 25 91 242</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Financial Liabilities			
Trade Payables Due to:			
Micro and Small Enterprise	8	-	-
Other than Micro and Small Enterprise		8 97 296	52 79 536
Other Financial Liabilities	9	40 00 00 000	-
Other Current Liabilities	10	<u>22 86 391</u>	<u>36 19 918</u>
<b>Total Current liabilities</b>		<b>40 31 83 687</b>	<b>88 99 454</b>
<b>Total Liabilities</b>		<b><u>40 31 83 687</u></b>	<b><u>88 99 454</u></b>
<b>Total Equity and Liabilities</b>		<b><u>7688 44 37 313</u></b>	<b><u>6998 14 90 696</u></b>

Significant Accounting Policies

See accompanying Notes to the Financial Statements 1 to 22

As per our Report of even date For <b>Chaturvedi &amp; Shah LLP</b> Chartered Accountants	For and on behalf of the Board		
	<b>Mukesh D. Ambani</b> Chairman	<b>Manoj H. Modi</b> Director	<b>Akash M. Ambani</b> Director
<b>Rajesh D. Chaturvedi</b> Partner	<b>Isha M. Ambani</b> Director	<b>Pankaj Pawar</b> Director	<b>Adil Zainulbhai</b> Director
	<b>Prof. Dipak C. Jain</b> Director	<b>Ranjit V. Pandit</b> Director	<b>V.Subramaniam</b> Managing Director
Mumbai Dated : 18th April, 2019	<b>Ashwin Khasgiwala</b> Chief Financial Officer	<b>K. Sridhar</b> Company Secretary	

## Statement of Profit and Loss for the period ended 31st March, 2019

	Notes	2018-19	2017-18
₹			
<b>INCOME</b>			
Income from Services		16 52 00 000	17 55 54 281
Less:GST / Service Tax recovered		2 52 00 000	2 67 79 467
<b>Revenue from Operations</b>		<b>14 00 00 000</b>	14 87 74 814
Other Income	11	1 95 54 152	1 21 51 288
<b>Total Income</b>		<b>15 95 54 152</b>	16 09 26 102
<b>EXPENSES</b>			
Other Expenses	12	14 86 73 284	15 48 33 168
<b>Total Expenses</b>		<b>14 86 73 284</b>	15 48 33 168
Profit before Tax		1 08 80 868	60 92 934
<b>Tax Expenses:</b>			
Current Tax	13	22 18 484	12 42 279
<b>Profit for the Year</b>		<b>86 62 384</b>	48 50 655
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to Profit or Loss		-	-
<b>Total Comprehensive Income for the Year</b>		<b>86 62 384</b>	48 50 655
<b>Earnings per Equity Share of face value of ₹ 10 each</b>			
Basic and Diluted	15	0.00	0.00
Significant Accounting Policies			
See accompanying Notes to the Financial Statements			
	1 to 22		

As per our Report of even date  
For **Chaturvedi & Shah LLP**  
Chartered Accountants

**Rajesh D. Chaturvedi**  
Partner

Mumbai  
Dated : 18th April, 2019

For and on behalf of the Board

**Mukesh D. Ambani**  
Chairman

**Isha M. Ambani**  
Director

**Prof. Dipak C. Jain**  
Director

**Ashwin Khasgiwala**  
Chief Financial Officer

**Manoj H. Modi**  
Director

**Pankaj Pawar**  
Director

**Ranjit V. Pandit**  
Director

**K. Sridhar**  
Company Secretary

**Akash M. Ambani**  
Director

**Adil Zainulbhai**  
Director

**V.Subramaniam**  
Managing Director

## Statement of Changes in Equity for the year ended 31st March, 2019

### A. Equity Share Capital

	₹				
	Balance as at 1st April, 2017	Change during the year 2017-18	Balance as at 31st March, 2018	Change during the year 2018-19	Balance as at 31st March, 2019
	6000 00 00 000	-	6000 00 00 000	-	6000 00 00 000

### B. Other Equity

	Instrument Classified as Equity		Reserves & Surplus		
	8.5% Non Cumulative Optionally Convertible Preference Shares of ₹ 10 each (OCPS), ₹ 2.5 paid up	Call money towards OCPS	Securities Premium	Retained Earnings	Total
<b>As at 31st March, 2018</b>					
Balance as at 1st April, 2017	-	-	-	(3 22 59 413)	(3 22 59 413)
8.5% Non-Cumulative Optionally Convertible Preference Shares	200 00 00 000	-	800 00 00 000	-	1000 00 00 000
Total Comprehensive income for the year	-	-	-	48 50 655	48 50 655
Balance as at 31st March, 2018	<b>200 00 00 000</b>	-	<b>800 00 00 000</b>	<b>(2 74 08 758)</b>	<b>997 25 91 242</b>
<b>As at 31st March, 2019</b>					
Balance as at 1st April, 2018	200 00 00 000	-	800 00 00 000	(2 74 08 758)	997 25 91 242
8.5% Non-Cumulative Optionally Convertible Preference Shares (OCPS)	-	650 00 00 000	-	-	650 00 00 000
Total Comprehensive income for the year	-	-	-	86 62 384	86 62 384
Balance as at 31st March, 2019	<b>200 00 00 000</b>	<b>650 00 00 000</b>	<b>800 00 00 000</b>	<b>(1 87 46 374)</b>	<b>1648 12 53 626</b>

As per our Report of even date  
For **Chaturvedi & Shah LLP**  
Chartered Accountants

**Rajesh D. Chaturvedi**  
Partner

Mumbai  
Dated : 18th April, 2019

For and on behalf of the Board

**Mukesh D. Ambani**  
Chairman

**Isha M. Ambani**  
Director

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Director

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Chief Financial Officer

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**Ranjit V. Pandit**  
Director

**K. Sridhar**  
Company Secretary

**Akash M. Ambani**  
Director

**Adil Zainulbhai**  
Director

**V.Subramaniam**  
Managing Director

## Cash Flow Statement for the year ended 31st March, 2019

	2018-19	2017-18
₹		
<b>A: CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before tax as per Statement of Profit and Loss	1 08 80 868	60 92 934
<b>Adjusted for:</b>		
Interest Income	<u>(1 95 54 152)</u>	<u>(1 21 51 288)</u>
<b>Operating Profit before Working Capital Changes</b>	<b>( 86 73 284)</b>	<b>( 60 58 354)</b>
<b>Adjusted for:</b>		
Trade and Other Receivables	( 7 32 539)	( 5 50 671)
Trade and Other Payables	<u>39 42 84 233</u>	<u>54 58 209</u>
	<u>39 35 51 694</u>	<u>49 07 538</u>
<b>Cash Generated from Operations</b>	<b>38 48 78 410</b>	<b>( 11 50 816)</b>
Taxes paid (Net)	<u>(1 40 56 633)</u>	<u>(1 60 74 605)</u>
<b>Net Cash Flow from/(Used in) Operating Activities</b>	<b><u>37 08 21 777</u></b>	<b><u>(1 72 25 421)</u></b>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investment in Subsidiaries	(687 08 46 244)	(1051 98 70 075)
Movement in Loans and Advances	-	52 00 00 000
Interest income	<u>1 96 91 821</u>	<u>1 39 58 763</u>
<b>Net Cash Flow Used in Investing Activities</b>	<b><u>(685 11 54 423)</u></b>	<b><u>(998 59 11 312)</u></b>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Preference Share	-	1000 00 00 000
Call Money Received	<u>650 00 00 000</u>	<u>-</u>
<b>Net Cash Flow from Financing Activities</b>	<b><u>650 00 00 000</u></b>	<b><u>1000 00 00 000</u></b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>1 96 67 354</b>	<b>( 31 36 733)</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<u>39 15 759</u>	<u>70 52 492</u>
<b>Closing Balance of Cash and Cash Equivalents (Refer Note "3")</b>	<b><u>2 35 83 113</u></b>	<b><u>39 15 759</u></b>

As per our Report of even date  
For **Chaturvedi & Shah LLP**  
Chartered Accountants

**Rajesh D. Chaturvedi**  
Partner

Mumbai  
Dated : 18th April, 2019

For and on behalf of the Board

**Mukesh D. Ambani**  
Chairman

**Isha M. Ambani**  
Director

**Prof. Dipak C. Jain**  
Director

**Ashwin Khasgiwala**  
Chief Financial Officer

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Director

**Pankaj Pawar**  
Director

**Ranjit V. Pandit**  
Director

**K. Sridhar**  
Company Secretary

**Akash M. Ambani**  
Director

**Adil Zainulbhai**  
Director

**V.Subramaniam**  
Managing Director

## Notes to the Standalone Financial Statements for the year ended 31st March 2019

### A. CORPORATE INFORMATION

Reliance Retail Ventures Limited (“the Company”) is a public limited company incorporated in India having its registered office and principal place of business at 4<sup>th</sup> floor, Court House, Lokmanya Tilak Marg, Dhobi Talao, Mumbai-400002. The Company’s holding company is Reliance Industries Limited. The Company is engaged in Organised Retail.

### B. SIGNIFICANT ACCOUNTING POLICIES

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

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

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.

With effect from 1st April 2018, Ind AS 115 – “Revenue from Contracts with Customers” (Ind AS 115) supersedes Ind AS 18 – “Revenue” and related Appendices. The Company has adopted Ind AS 115 using the modified retrospective approach. The application of Ind AS 115 did not have any material impact on recognition and measurement principles. However, it results in additional presentation and disclosure requirements for the Company.

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

#### B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (a) Current and Non-Current Classification

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

An asset is treated as Current when it is –

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

All other assets are classified as non-current.

A liability is current when –

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

The Company classifies all other liabilities as non-current.

##### (b) Cash and Cash Equivalent

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

##### (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.

## Notes to the Standalone Financial Statements for the year ended 31st March 2019

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) Tax expenses

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

#### - Current tax

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

#### - Deferred tax

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

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

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

### (e) Revenue recognition

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

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

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

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

#### **Contract balances**

##### **Trade receivables**

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

##### **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company

## Notes to the Standalone Financial Statements for the year ended 31st March 2019

transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

### Interest Income

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

### Dividend Income

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

## (f) Financial Instruments

### i) Financial Assets

#### A. Initial Recognition and Measurement

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

#### B. Subsequent Measurement

##### a) Financial Assets Measured at Amortised Cost (AC)

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

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

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

##### c) Financial Assets Measured at Fair Value Through Profit or Loss (FVTPL)

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

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

#### C. Investment In Subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in Subsidiaries, associates and joint venture 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'. However, dividend on such equity investments are recognized in Statement of Profit and loss when the Company's right to receive payment is established.

#### 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).

## Notes to the Standalone Financial Statements for the year ended 31st March 2019

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

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

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

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

### ii) Financial Liabilities

#### A. Initial Recognition And Measurement

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

#### B. Subsequent Measurement

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

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

### iii) Derivative Financial Instruments

The Company uses various derivative financial instruments such as currency forwards and commodity contracts to mitigate the risk of changes in exchange rates and commodity prices. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as Financial Assets when the fair value is positive and as Financial Liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

### iv) Derecognition of Financial Instruments

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

### v) 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.

### (g) Earnings per share

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



## Notes to the Standalone Financial Statements for the year ended 31st March 2019

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

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

#### a) Recoverability of trade receivables:

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.

#### b) Provisions:

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

#### c) 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 30, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases which shall not be applicable to the Company. MCA also notified certain amendments to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2019.

#### A) Amendment to Existing Standard

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

- i. Ind AS 101- First time adoption of Indian Accounting Standards
- ii. Ind AS 103 – Business Combinations
- iii. Ind AS 109 - Financial Instruments
- iv. Ind AS 111 – Joint Arrangements
- v. Ind AS 12 – Income Taxes
- vi. Ind AS 19 – Employee Benefits
- vii. Ind AS 23 – Borrowing Costs
- viii. Ind AS 28 - Investment in Associates and Joint Ventures

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

## Notes to the Standalone Financial Statements for the year ended 31st March 2019

1. Investments - Non-Current	As at		As at	
	31st March, 2019		31st March, 2018	
	Units	Amount	Units	Amount
₹				
<b>Investments measured at Cost</b>				
<b>In Equity Shares of Subsidiary Companies - Unquoted, Fully Paid Up</b>				
Reliance Retail Limited of ₹ 10 each	498,70,26,060	4993 19 41 400	498,70,26,060	4993 19 41 400
Reliance Brands Limited of ₹ 10 each	8,08,60,000	80 86 00 000	8,08,60,000	80 86 00 000
Reliance Lifestyle Holdings Limited of ₹ 10 each	50,000	5 00 000	-	-
Rhea Retail Private Limited of ₹ 10 each	7,77,33,201	205 01 45 670	-	-
Genesis La Mode Private Limited of ₹ 10 each	60,00,000	10 56 60 000	-	-
GML India Fashion Private Limited of ₹ 10 each	25,00,000	4 47 75 000	-	-
GLF Lifestyle Brands Private Limited of ₹ 10 each	4,49,70,180	38 44 95 039	-	-
GLB Body Care Private Limited of ₹ 10 each	7,85,369	15 62 884	-	-
Genesis Luxury Fashion Private Limited of ₹ 10 each	3,59,917	3 36 81 033	-	-
Genesis Colors Limited of ₹ 10 each	36,53,408	88 80 26 618	-	-
<b>Sub-total (a)</b>		<u>5424 93 87 644</u>		<u>5074 05 41 400</u>
<b>In Preference Shares of Subsidiary Companies - Unquoted, Partly Paid Up</b>				
Reliance Retail Limited of ₹ 10 each, ₹ 2.5 Paid Up	79,99,89,606	1381 18 70 075	79,99,89,606	999 98 70 075
<b>Sub-total (b)</b>		<u>1381 18 70 075</u>		<u>999 98 70 075</u>
<b>In Debentures of Subsidiary Companies - Unquoted, Fully Paid Up</b>				
Reliance Retail Limited of ₹ 10 00 000 each	3,300	330 00 00 000	3,300	330 00 00 000
Reliance Brands Limited of ₹ 10 each	54,20,00,000	542 00 00 000	58,70,00,000	587 00 00 000
<b>Sub-total (c)</b>		<u>872 00 00 000</u>		<u>917 00 00 000</u>
<b>Total (a+b+c)</b>		<u>7678 12 57 719</u>		<u>6991 04 11 475</u>
<b>Aggregate Amount of Unquoted Investments</b>		<u>7678 12 57 719</u>		<u>6991 04 11 475</u>
₹				
1.1 Category-wise Investments - Non-Current	As at		As at	
	31st March, 2019		31st March, 2018	
Financial assets measured at Cost	<u>7678 12 57 719</u>		<u>6991 04 11 475</u>	
<b>Total Investments - Non-Current</b>	<u>7678 12 57 719</u>		<u>6991 04 11 475</u>	

## Notes to the Standalone Financial Statements for the year ended 31st March 2019

		₹	
		As at	As at
		31st March, 2019	31st March, 2018
<b>2. Other Non-Current Assets</b>			
	<i>(Unsecured and Considered Good)</i>		
	Advance Income Tax (Net of Provision) <sup>(i)</sup>	<u>5 61 94 073</u>	<u>4 43 55 924</u>
	<b>Total</b>	<u>5 61 94 073</u>	<u>4 43 55 924</u>
		₹	
	<sup>(i)</sup> <b>Advance Income Tax (Net of Provision)</b>	As at	As at
		31st March, 2019	31st March, 2018
	At start of year	4 43 55 924	2 95 23 598
	Charge for the year - Current Tax	( 22 18 484)	( 12 42 279)
	Tax paid (net) during the year	<u>1 40 56 633</u>	<u>1 60 74 605</u>
	<b>At end of year</b>	<u>5 61 94 073</u>	<u>4 43 55 924</u>
		₹	
<b>3. Cash and Cash Equivalents</b>		As at	As at
		31st March, 2019	31st March, 2018
	Balances with Banks	<u>2 35 83 113</u>	<u>39 15 759</u>
	<b>Cash and Cash Equivalents as per Balance Sheet / Cash Flow Statement</b>	<u>2 35 83 113</u>	<u>39 15 759</u>
		₹	
<b>4. Other Financial Assets - Current</b>		As at	As at
		31st March, 2019	31st March, 2018
	Others <sup>(i)</sup>	<u>16 116</u>	<u>1 53 785</u>
	<b>Total</b>	<u>16 116</u>	<u>1 53 785</u>
	<sup>(i)</sup> Includes interest receivables.		
		₹	
<b>5. Other Current Assets</b>		As at	As at
	<i>(Unsecured and Considered Good)</i>	31st March, 2019	31st March, 2018
	Balance with GST and State Authorities	<u>2 33 86 292</u>	<u>2 26 53 753</u>
	<b>Total</b>	<u>2 33 86 292</u>	<u>2 26 53 753</u>

## Notes to the Standalone Financial Statements for the year ended 31st March 2019

		₹	
6. Share Capital		As at 31st March, 2019	As at 31st March, 2018
<b>Authorised Share Capital</b>			
<b>750,00,00,000</b> Equity shares of ₹ 10 each (750,00,00,000)		<b>7500 00 00 000</b>	7500 00 00 000
<b>250,00,00,000</b> Preference shares of ₹ 10 each (250,00,00,000)		<b>2500 00 00 000</b>	2500 00 00 000
		<u><b>10000 00 00 000</b></u>	<u>10000 00 00 000</u>
<b>Issued, Subscribed and Paid Up</b>			
<b>600,00,00,000</b> Equity shares of ₹ 10 each (600,00,00,000)		<b>6000 00 00 000</b>	6000 00 00 000
<b>Total</b>		<u><b>6000 00 00 000</b></u>	<u>6000 00 00 000</u>
(i) Out of above, 566,70,00,000 (previous year 566,70,00,000) equity shares of ₹ 10 each fully paid-up are held by Reliance Industries Limited, the holding company.			
(ii) <b>The details of Shareholder holding more than 5% shares :</b>			
<b>Name of the Shareholders</b>		<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
	<b>No. of Shares</b>	<b>% held</b>	<b>No. of Shares</b>
			<b>% held</b>
Reliance Industries Limited (Holding Company)	<b>566,70,00,000</b>	<b>94.45</b>	<b>566,70,00,000</b> 94.45
(iii) <b>The Reconciliation of the number of shares outstanding is set out below :</b>			
<b>Particulars</b>		<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
		<b>No. of shares</b>	<b>No. of shares</b>
Equity Shares at the beginning of the year		<b>600 00 00 000</b>	600 00 00 000
Add: Equity Shares issued during the year		-	-
Equity shares at the end of the year		<b>600 00 00 000</b>	600 00 00 000
(iv) The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.			

## Notes to the Standalone Financial Statements for the year ended 31st March 2019

	As at 31st March, 2019	As at 31st March, 2018
<b>7. Other Equity</b>		
<b>Instruments Classified as Equity</b>		
As per last Balance Sheet	200 00 00 000	-
8.5% Non-Cumulative Optionally Convertible Preference Shares of ₹ 10 each, ₹ 2.5 paid up	-	200 00 00 000
	<u>200 00 00 000</u>	<u>200 00 00 000</u>
<b>Call money towards OCPS</b>		
8.5% Non-Cumulative Optionally Convertible Preference Shares of ₹ 10 each, issued at premium of ₹ 40 each	650 00 00 000	-
<b>Securities Premium</b>		
As per last Balance Sheet	800 00 00 000	-
Add : On Issue of shares	-	800 00 00 000
	<u>800 00 00 000</u>	<u>800 00 00 000</u>
<b>Retained Earnings</b>		
As per last Balance Sheet	(2 74 08 758)	(3 22 59 413)
Add: Profit for the year	86 62 384	48 50 655
	<u>(1 87 46 374)</u>	<u>(2 74 08 758)</u>
<b>Total</b>	<u>1648 12 53 626</u>	<u>997 25 91 242</u>

### 7.1 Details of Shareholder's holding more than 5% Preference Shares

(8.5% Non Cumulative Optionally Convertible Preference Shares)

Name of the Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	% held	No. of Shares	% held
Reliance Industries Limited (Holding Company)	80 00 00 000	100%	80 00 00 000	100%

### 7.2 Terms of 8.5% Non Cumulative Optionally Convertible Preference Shares ("OCPS")

The OCPS shall be either redeemed at ₹ 50 per OCPS or converted into 5 (Five) Equity Shares of ₹ 10 each at any time at the option of the Company, but not later than 10 years from the date of allotment of the OCPS i.e February 17, 2018.

### 7.3 Rights, Preferences and Restrictions attached to Preference Shares

The Company has one class of Preference Shares i.e. 8.5% Non Cumulative Optionally Convertible Preference Shares (OCPS) of ₹ 10/- per OCPS. Such 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 OCPS shall carry voting rights prescribed under the provisions of the Companies Act, 2013.

## Notes to the Standalone Financial Statements for the year ended 31st March 2019

7.4 The reconciliation of the number of 8.5% Non Cumulative Optionally Convertible Preference Shares outstanding is set out below :

Particulars	As at	As at
	31st March, 2019	31st March, 2018
	No. of Shares	No. of Shares
Preference Shares at the beginning of the year	80 00 00 000	-
Add: Preference Shares issued during the year	-	80 00 00 000
Less: Preference Share redeemed during the year	-	-
Preference Share at the end of the year	<u>80 00 00 000</u>	<u>80 00 00 000</u>

₹

8. Trade Payables Due to	As at	As at
	31st March, 2019	31st March, 2018
Micro and Small Enterprise	-	-
Other than Micro and Small Enterprise	<u>8 97 296</u>	<u>52 79 536</u>
<b>Total</b>	<u><b>8 97 296</b></u>	<u><b>52 79 536</b></u>

8.1 There are no overdue amounts to Micro and Small Enterprises as at March 31, 2019 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

₹

9. Other Financial Liabilities - Current	As at	As at
	31st March, 2019	31st March, 2018
Others <sup>(i)</sup>	<u>40 00 00 000</u>	<u>-</u>
	<u>40 00 00 000</u>	<u>-</u>

<sup>(i)</sup> Includes group company payables.

₹

10. Other Current Liabilities	31st March, 2019	31st March, 2018
Other Payables <sup>(i)</sup>	<u>22 86 391</u>	<u>36 19 918</u>
	<u>22 86 391</u>	<u>36 19 918</u>

<sup>(i)</sup> Includes statutory liabilities.

## Notes to the Standalone Financial Statements for the year ended 31st March 2019

	₹	
<b>11. Other Income</b>	<b>2018-19</b>	2017-18
<b>Interest</b>		
Bank deposits	4 77 602	2 00 055
Related Parties	1 89 90 640	1 19 51 233
Others	<u>85 910</u>	<u>-</u>
<b>Total</b>	<u><b>1 95 54 152</b></u>	<u><b>1 21 51 288</b></u>
Above other income comprises of assets measured at amortised cost.		
	₹	
<b>12. Other Expenses</b>	<b>2018-19</b>	2017-18
Rates and taxes	10 200	7 300
Professional fees	1 05 85 231	93 75 625
Hire Charges-Contracted service	13 65 65 742	14 40 53 014
General expenses	<u>12 77 111</u>	<u>11 95 779</u>
	<b>14 84 38 284</b>	15 46 31 718
<b>Payments to Auditors as:</b>		
Statutory Audit Fees	1 50 000	1 40 650
Tax audit Fees	50 000	35 000
Certification and Consultation Fees	<u>35 000</u>	<u>25 800</u>
	<u><b>2 35 000</b></u>	<u><b>2 01 450</b></u>
<b>Total</b>	<u><b>14 86 73 284</b></u>	<u><b>15 48 33 168</b></u>
	₹	
<b>13. Taxation</b>	<b>As at</b>	<b>As at</b>
	<b>31st March, 2019</b>	<b>31st March, 2018</b>
<b>Income Tax recognised in the Statement of Profit and Loss</b>		
Current Tax	<u>22 18 484</u>	<u>12 42 279</u>
<b>Total Income Tax expenses Recognised in the Current Year</b>	<u><b>22 18 484</b></u>	<u><b>12 42 279</b></u>
The income tax expenses for the year can be reconciled to the accounting profit as follows:		
Profit before tax	1 08 80 868	60 92 934
Applicable tax rate	27.820%	27.553%
Computed tax expenses	30 27 058	16 78 756
<b>Tax Effect of :</b>		
Carry forward losses utilised	( 30 27 058)	( 16 78 756)
MAT Credit Generated	<u>22 18 484</u>	<u>12 42 279</u>
<b>Tax Expenses recognised in Statement of Profit and Loss</b>	<u><b>22 18 484</b></u>	<u><b>12 42 279</b></u>
<b>Effective Tax Rate</b>	20.39%	20.39%

## Notes to the Standalone Financial Statements for the year ended 31st March 2019

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

15 Earnings Per Share (EPS)	₹	
	2018-19	2017-18
<b>Face Value Per Equity Share (₹)</b>	<b>10.00</b>	10.00
<b>Basic Earnings Per Share (₹)</b>	<b>0.00</b>	0.00
Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	<b>86 62 384</b>	48 50 655
Weighted average number of equity shares used as denominator for calculating Basic EPS	<b>600 00 00 000</b>	600 00 00 000
<b>Diluted Earnings Per Share (₹)</b>	<b>0.00</b>	0.00
Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	<b>86 62 384</b>	48 50 655
Weighted average number of equity shares used as denominator for calculating Diluted EPS	<b>611 50 68 493</b>	611 50 68 493
<b>Reconciliation of Weighted average number of shares outstanding</b>		
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	<b>600 00 00 000</b>	600 00 00 000
Total Weighted Average Potential Equity Shares	<b>11 50 68 493</b>	11 50 68 493
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	<b>611 50 68 493</b>	611 50 68 493

16 Commitments	₹	
	2018-19	2017-18
Uncalled liability on shares and other investments partly paid	<b>2618 76 10 225</b>	2999 96 10 225

- 17 There are no employees during the year therefore Ind AS 19 "Employee Benefits", is not applicable to the Company.

### 18 Financial & Derivative Instrument

#### 18.1 Capital Management

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

#### 18.2 Financial Instruments

##### Valuation Methodology

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

##### Fair value measurement hierarchy:

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in	
		Level 1	Level 2		Level 1	Level 2
<b>Financial Assets</b>						
<b>At Amortised Cost</b>						
Cash and Cash Equivalents	2 35 83 113	-	-	39 15 759	-	-
Other Financial Assets	16 116	-	-	1 53 785	-	-
<b>Financial Liabilities</b>						
<b>At Amortised Cost</b>						
Trade Payables	8 97 296	-	-	52 79 536	-	-



## Notes to the Standalone Financial Statements for the year ended 31st March 2019

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.

### 18.3 Financial Risk Management

The Company's activities expose it to credit risk and liquidity risk.

This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

Risk	Exposure arising from	Measurement	Mitigation
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at cost.	Ageing analysis, Credit worthiness	Counterparty credit limits and Dealing with highly rates counterparties as a policy.
Liquidity Risk	Other liabilities.	Ageing analysis, Rolling cash-flow forecasts	Managing the outflow of payments towards liabilities in a timely and scheduled manner.

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

#### A) Credit risk

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

#### B) 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.

### 19 Related Parties Disclosures

As per IND AS 24, the disclosures of transactions with the related parties are given below:

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

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industries Limited	} Holding Company
2	Reliance Retail Limited	}
3	Reliance Clothing India Private Limited	}
4	Reliance-GrandOptical Private Limited	}
5	Reliance Petro Marketing Limited	}
6	Reliance Brands Limited	}
7	Reliance Lifestyle Holdings Limited *	} Subsidiary
8	Reliance GAS Lifestyle India Private Limited	}
9	Rhea Retail Private Limited *	}
10	Genesis Colors Limited *	}
11	Genesis Luxury Fashion Private Limited *	}

## Notes to the Standalone Financial Statements for the year ended 31st March 2019

Sr. No.	Name of the Related Party	Relationship
12	Genesis La Mode Private Limited *	} Subsidiary
13	GML India Fashion Private Limited *	
14	GLF Body Care Private Limited *	
15	GLF Lifestyle Brands Private Limited *	
16	Reliance Industrial Investments and Holdings Limited	} Fellow Subsidiary
17	Reliance Corporate IT Park Limited	
18	Shri V Subramaniam	} Key Managerial Personnel
19	Shri Ashwin Khasgiwala	
20	Shri K Sridhar	

\* The above entities includes related party where the relationship existed for the part of the year.

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

Sr No	Nature of transactions	Holding company	Subsidiaries	Fellow subsidiaries	Key Managerial Personnel	Total
1	Additional investment in preference share #	1000 00 00 000	-	-	-	-
2	Call money received towards OCPS	650 00 00 000	-	-	-	650 00 00 000
3	Purchase/ subscription of investments	-	732 08 46 244	80 86 00 000	-	812 94 46 244
4	Sale of Investments	-	999 98 70 075	-	-	999 98 70 075
5	Net unsecured loans Given/ (returned)	-	(52 00 00 000)	-	-	(52 00 00 000)
6	Subscription to Debentures	-	52 00 00 000	-	-	52 00 00 000
7	Redemption of Debentures	-	(45 00 00 000)	-	-	(45 00 00 000)
8	Hire Charges-Contracted Services	-	-	16 03 62 000	-	16 03 62 000
9	Revenue from Operations	-	11 06 54 281	-	-	11 06 54 281
10	Other Income	-	1 89 90 640	-	-	1 89 90 640
11	Professional Fees	5 84 408	59 737	1 06 20 000	-	5 84 408
12	Payment to Key Managerial Personnel	-	-	-	1 18 00 000	1 18 00 000
		-	-	-	90 00 000	90 00 000
	<b>Balance as at 31st March, 2019</b>					
13	Equity Share capital	5667 00 00 000	-	-	-	5667 00 00 000
14	Preference Share Capital#	1000 00 00 000	-	-	-	1000 00 00 000

## Notes to the Standalone Financial Statements for the year ended 31st March 2019

Sr No	Nature of transactions	Holding company	Subsidiaries	Fellow subsidiaries	Key Managerial Personnel	Total
15	Call money received towards OCPS	650 00 00 000	-	-	-	650 00 00 000
		-	-	-	-	-
16	Investments - Non-Current	- 7678 12 57 719	-	-	-	- 7678 12 57 719
		- 6991 04 11 475	-	-	-	- 6991 04 11 475
17	Trade Payable	5 79 344	-	-	-	5 79 344
		54 674	48 60 000	-	-	49 14 674
18	Other Financial Liabilities	-	40 00 00 000	-	-	40 00 00 000
		-	-	-	-	-

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

#Including Securities Premium

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

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Particulars	Relationship	2018-19	2017-18
<b>1 Additional investment in Share Capital</b>			
Reliance Industries Limited	Holding Company	-	1000 00 00 000
<b>2 Call money received towards OCPS</b>			
Reliance Industries Limited	Holding Company	650 00 00 000	-
<b>3 Purchase/ subscription of investments</b>			
Reliance Retail Limited	Subsidiary	381 20 00 000	999 98 70 075
Reliance Lifestyle Holdings Limited	Subsidiary	5 00 000	-
Rhea Retail Private Limited	Subsidiary	205 01 45 670	-
Genesis La Mode Private Limited	Subsidiary	10 56 60 000	-
GML India Fashion Private Limited	Subsidiary	4 47 75 000	-
GLF Lifestyle Brands Private Limited	Subsidiary	38 44 95 039	-
GLB Body Care Private Limited	Subsidiary	15 62 884	-
Genesis Luxury Fashion Private Limited	Subsidiary	3 36 81 033	-
Genesis Colors Limited	Subsidiary	88 80 26 618	-
Reliance Industries Investments and Holdings Limited	Fellow Subsidiary	80 86 00 000	-
<b>4 Sale of Investments</b>			
Reliance Industries Investments and Holdings Limited	Fellow Subsidiary	80 86 00 000	-
<b>5 Net Loans and Advances Given/ (Returned)</b>			
Reliance Brands Limited	Subsidiary	-	(45 00 00 000)
Reliance Retail Limited	Subsidiary	-	(7 00 00 000)
<b>6 Subscription to Debentures</b>			
Reliance Brands Limited	Subsidiary	-	52 00 00 000
<b>7 Redemption of Debentures</b>			
Reliance Brands Limited	Subsidiary	45 00 00 000	-

## Notes to the Standalone Financial Statements for the year ended 31st March 2019

Particulars	Relationship	2018-19	2017-18
<b>8 Hire Charges-Contracted Services</b>			
Reliance Corporate IT Park Limited	Fellow Subsidiary	<b>16 03 62 000</b>	17 82 88 172
<b>9 Revenue from Operations</b>			
Reliance Retail Limited	Subsidiary	-	9 31 02 000
Reliance Lifestyle Holdings Limited	Subsidiary	-	1 75 52 281
<b>10 Other Income</b>			
Reliance Brands Limited	Subsidiary	-	63 92 466
Reliance Retail Limited	Subsidiary	<b>1 89 90 640</b>	55 58 767
<b>11 Professional Fees</b>			
Reliance Industries Limited	Holding Company	<b>5 84 408</b>	59 737
Reliance Retail Limited	Subsidiary	-	1 06 20 000
<b>12 Payment to Key Managerial Personnel</b>			
Shri Ashwin Khasgiwala	Key Managerial Personnel	<b>59 00 000</b>	45 00 000
Shri K Sridhar	Key Managerial Personnel	<b>59 00 000</b>	45 00 000
<b>19.1 Compensation of Key Managerial Personnel</b>		<b>2018-19</b>	2017-18
Short-Term Benefits		<b>1 18 00 000</b>	90 00 000
<b>20 Details of loan given, Investment made and Guarantee given covered u/s 186(4) of the Companies Act, 2013</b>			
i) Investments made by the Company as at 31 <sup>st</sup> March 2019 (Refer Note 1)			
ii) No Loans/Guarantees given by the Company.			
<b>21</b>	The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.		
<b>22</b>	The Financial Statements were approved for issue by the Board of Directors on 18th April,2019.		

As per our Report of even date  
For **Chaturvedi & Shah LLP**  
Chartered Accountants

**Rajesh D. Chaturvedi**  
Partner

Mumbai  
Dated : 18th April, 2019

For and on behalf of the Board

**Mukesh D. Ambani**  
Chairman

**Isha M. Ambani**  
Director

**Prof. Dipak C. Jain**  
Director

**Ashwin Khasgiwala**  
Chief Financial Officer

**Manoj H. Modi**  
Director

**Pankaj Pawar**  
Director

**Ranjit V. Pandit**  
Director

**K. Sridhar**  
Company Secretary

**Akash M. Ambani**  
Director

**Adil Zainulbhai**  
Director

**V.Subramaniam**  
Managing Director