

Jio Limited
Financial Statements
2019-20

Independent Auditor's Report

To the Members of Jio Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Jio Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the period from November 15, 2019 to March 31, 2020 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive income, the statement of changes in equity and its cash flows for the period from November 15, 2019 to March 31, 2020.

Basis for Opinion

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

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Director's report in the annual report for the year ended March 31, 2020, 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 Financial Statements

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

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

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

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.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rules 7 of the Companies (Accounts) Rules, 2014.

-
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, during the period no managerial remuneration has been paid or provided by the Company.
 - h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 litigation which would impact its financial position in its financial statements.
 - ii. The Company does not have any foreseeable losses on long-term contracts including derivative contracts, if any, in respect of which any provision is required to be made under the applicable law and Accounting Standards.
 - 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
(Registration No. 101720W/W100355)

R. Koria
Partner
Membership No.: 035629
UDIN – 20035629AAAACO7745

Place: Mumbai
Date: April 28, 2020

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of Jio Limited on the financial statements for the period from November 15, 2019 to March 31, 2020)

- i. The Company does not have any fixed assets and accordingly, the provisions of Clause (i) of paragraph 3 of the Order are not applicable to the Company.
- ii. The Company does not have any inventories and accordingly, the provisions of Clause (ii) of paragraph 3 of the Order are not applicable to the Company.
- iii. There are no loans, secured or unsecured, granted by the Company to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Act. Accordingly, the provisions of Clause (iii) of paragraph 3 of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loan and it has not made any investments or given any guarantee or security on which the provisions of Section 185 and 186 of the Act applies. Accordingly, the provisions of Clause (iv) of paragraph 3 of the Order are not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposit. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
- vi. According to the information and explanations given to us, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act in respect of activities carried on by the Company and accordingly, the provisions of Clause (vi) of paragraph 3 of the Order are not applicable to 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 Services Tax, Duty of Customs, Duty of Excise, Cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2020 for a period of more than six months from the date of becoming payable.
 - b. There were no dues of Income Tax, Sales Tax, Goods and Services Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, as applicable, which have not been deposited on account of any dispute.
- viii. The Company has neither taken any loans from financial institutions, banks, government nor has it issued any debentures, and accordingly, the provisions of Clause (viii) of paragraph 3 of the Order are not applicable to the Company.
- ix. To the best of our knowledge and belief and according to the information and explanations given to us, during the period the Company has not raised any money by way of initial public offer, further public offer (including debt instruments) or term loan.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations provided by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the period.
- xi. In our opinion and according to the information and explanations given to us, during the period no managerial remuneration has been paid or provided by the Company. Therefore, the provisions of Clause (xi) of paragraph 3 of the Order are 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. According to the information and explanations provided by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

-
- xiv. According to the information and explanations provided to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review. Therefore, the provisions of Clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us, during the period, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Therefore, the provisions of Clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- xvi. In our opinion and according to the information and explanations given to us, 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
(Registration No. 101720W/W100355)

R. Koria
Partner
Membership No.: 035629
UDIN – 20035629AAAACO7745

Place: Mumbai
Date: April 28, 2020

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of Jio Limited on the financial statements for the period from November 15, 2019 to March 31, 2020)

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 Jio Limited (“the Company”) as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the 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, 2020 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Chaturvedi & Shah LLP**
Chartered Accountants
(Registration No. 101720W/W100355)

R. Koria
Partner
Membership No.: 035629
UDIN – 20035629AAAACO7745

Place: Mumbai
Date: April 28, 2020

Balance Sheet as at 31st March, 2020

(Amount in Rs.)		
Particulars	Notes	As at 31st March, 2020
ASSETS		
Non - Current Assets		
Current Assets		
Financial Assets		
Cash and Cash Equivalents	1	99,882
Total Current Assets		<u>99,882</u>
Total Assets		<u><u>99,882</u></u>
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	2	100,000
Other Equity	3	<u>(19,511)</u>
Total Equity		<u>80,489</u>
Liabilities		
Non - Current Liabilities		
Current Liabilities		
Financial Liabilities		
Other Financial liabilities	4	93,93
Other Current liabilities	5	<u>10,000</u>
Total Current Liabilities		<u>19,393</u>
Total Liabilities		<u>19,393</u>
Total Equity and Liabilities		<u><u>99,882</u></u>
Significant Accounting Policies		
See accompanying Notes to the Financial Statements	1-14	

As per our Report of even date

For and on behalf of the Board

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Regn No: 101720W/ W-100355

R. Koria

Partner

Membership No. 35629

UDIN: 20035629AAAAACO7745

Place: Mumbai

Date: 28th April, 2020

Akash M. Ambani
Director
(DIN: 06984194)Kiran M. Thomas
Director
(DIN: 02242745)Isha M. Ambani
Director
(DIN: 06984175)Pankaj Pawar
Director
(DIN: 00085077)

Statement of Profit and Loss for the period ended 31st March, 2020

	Notes	(Amount in Rs.) 15.11.2019 to 31.03.2020
INCOME		
EXPENSES		
Other Expenses	6	19,511
Total Expenses		<u>19,511</u>
Profit / (Loss) for the period		<u>(19,511)</u>
Other Comprehensive Income		-
Total Comprehensive Income for the period		<u>(19,511)</u>
Earnings per equity share of face value of Rs. 10 each		
Basic (in Rupees)	7	(1.95)
Diluted (in Rupees)	7	(1.95)
Significant Accounting Policies		
See accompanying Notes to the Financial Statements	1-14	

As per our Report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Regn No: 101720W/ W-100355

R. Koria

Partner

Membership No. 35629

UDIN: 20035629AAAACO7745

Place: Mumbai

Date: 28th April, 2020

For and on behalf of the Board

Akash M. Ambani

Director

(DIN: 06984194)

Kiran M.Thomas

Director

(DIN: 02242745)

Isha M. Ambani

Director

(DIN: 06984175)

Pankaj Pawar

Director

(DIN: 00085077)

Statement of Changes in Equity for the period ended 31st March, 2020

(Amount in Rs.)

(A) Equity Share Capital

Balance at the beginning of the reporting period i.e. 15th November, 2019	-
Changes in equity share capital during the period	100,000
Balance at the end of the reporting period i.e. 31st March, 2020	100,000

(B) Other Equity

(Amount in Rs.)

Particulars	Reserves and Surplus	Total
	Retained Earnings	
As on 31st March, 2020		
Balance at the beginning of the reporting period i.e. 15th November, 2019	-	-
Loss for the period	(19,511)	(19,511)
Balance at the end of the reporting period i.e. 31st March, 2020	(19,511)	(19,511)

As per our Report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Regn No: 101720W/W-100355**R. Koria**

Partner

Membership No. 35629**UDIN: 20035629AAAACO7745**

Place: Mumbai

Date: 28th April, 2020

For and on behalf of the Board**Akash M. Ambani**

Director

(DIN: 06984194)**Isha M. Ambani**

Director

(DIN: 06984175)**Kiran M.Thomas**

Director

(DIN: 02242745)**Pankaj Pawar**

Director

(DIN: 00085077)

Cash Flow Statement for the period ended 31st March, 2020

	(Amount in Rs.)
	15.11.2019 to 31.03.2020
A CASH FLOW FROM OPERATING ACTIVITIES:	
Net Profit / (Loss) before tax as per Statement of Profit and Loss	(19,511)
Adjusted for:	-
Operating Loss before Working Capital Changes	(19,511)
Adjusted for:	
Trade and Other Receivables	-
Trade and Other Payables	19,393
Cash Used in Operations	(118)
Taxes Paid	-
Net Cash flow from / (used in) Operating Activities (A)	(118)
B CASH FLOW FROM INVESTING ACTIVITIES:	
Net Cash flow from / (used in) Investing Activities (B)	-
C CASH FLOW FROM FINANCING ACTIVITIES:	
Proceeds from Subscription of Equity Shares	100,000
Net Cash flow from / (used in) Financing Activities (C)	100,000
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	99,882
Opening Balance of Cash and Cash Equivalents	-
Closing Balance of Cash and Cash Equivalents (Refer Note 1)	99,882

As per our Report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Regn No: 101720W/ W-100355

R. Koria

Partner

Membership No. 35629

UDIN: 20035629AAAACO7745

Place: Mumbai

Date: 28th April, 2020

For and on behalf of the Board

Akash M. Ambani

Director

(DIN: 06984194)

Kiran M.Thomas

Director

(DIN: 02242745)

Isha M. Ambani

Director

(DIN: 06984175)

Pankaj Pawar

Director

(DIN: 00085077)

Notes on Financial Statements for the period ended 31st March, 2020

A CORPORATE INFORMATION

Jio Limited (“the Company”) is a limited company incorporated in India on 15th November, 2019. The registered office of the Company is located at Office - 101, Saffron, Nr. Centre Point, Panchwati 5 Rasta, Ambawadi, Ahmedabad, Gujarat – 380006 India. The Company’s Holding Company is Reliance Industries Limited. The Company has not yet commenced commercial operations.

B SIGNIFICANT ACCOUNTING POLICIES

B.1 BASIS OF PREPARATION AND PRESENTATION

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

- i Certain Financial Assets and Liabilities (including derivative instruments),
- ii Defined Benefit Plans - Plan Assets

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

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

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;

Expected to be realised within twelve months after the reporting period, or

Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

It is expected to be settled in normal operating cycle;

It is due to be settled within twelve months after the reporting period, or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

(b) Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand 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) Financial Instruments

i. Financial Liabilities

A. Initial recognition and Measurement

All Financial Liabilities are recognized at fair value and in case of loans, 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.

Notes on Financial Statements for the period ended 31st March, 2020

(d) Provisions, Contingent Assets and Liabilities

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.

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made. Contingent assets neither disclosed nor recognized in Financial Statements.

(e) Revenue Recognition

Revenue is recognised to the extent 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 recognised upon transfer of control of promised services to the customers. Revenues from fixed-price and fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, are recognised to the extent the Company has rendered the services, as per the contractual arrangements. Revenue is measured at the fair value of the consideration received or receivable in exchange for transferring the promised services, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

(f) 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.

i. Current Tax

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

Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset, or to realise the asset and settle the liability simultaneously.

ii. Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred income tax assets on carry forward losses is recognised based on convincing evidence including robust business projections where it is reasonably certain that sufficient taxable profits will be available to utilise those losses. 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.

(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. 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 on Financial Statements for the period ended 31st March, 2020

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) 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.

(B) REVENUE

The application of Accounting Standard on Revenue Recognition involves complexity and use of key judgments with respect to multiple elements deliverables, timing of revenue recognition, accounting of discounts, incentives, etc. The Management has reviewed such accounting treatment and is satisfied about its appropriateness in terms of the relevant Ind AS.

Notes on Financial Statements for the period ended 31st March, 2020

1	Cash and Cash Equivalents	(Amount in Rs.)
		As at 31st March, 2020
	Balances with Banks in Current Account	<u>99,882</u>
	Cash and Cash Equivalents as per Balance Sheet	<u>99,882</u>
	Cash and Cash Equivalents as per Cash Flow Statement	<u>99,882</u>
2	Share Capital	(Amount in Rs.)
		As at 31st March, 2020
		Units Amount
	Authorised Share Capital :	
	Equity Shares of Rs.10 each	100,000 10,00,000
		<u>10,00,000</u>
	Issued, Subscribed and Paid up:	
	Equity Shares of Rs.10 each fully paid up	10,000 1,00,000
		<u>1,00,000</u>
2.1	Terms/ rights attached to Equity Shares :	
	The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company in proportion to the number of equity shares held by them.	
2.2	The reconciliation of the number of shares outstanding is set out below:	
		As at 31st March, 2020
	Particulars	No.of Shares
	No. of shares at the beginning of the period i.e. 15th November, 2019	-
	Add: Shares issued to the Subscriber of Memorandum	<u>10,000</u>
	No. of shares at the end of the period	<u>10,000</u>
2.3	The details of shareholders holding more than 5% shares:	
		As at 31st March, 2020
	Name of Shareholders	No of Shares % held
	Reliance Industries Limited (Holding Company)	10,000 100%
3	Other Equity	(Amount in Rs.)
		As at 31st March, 2020
	Reserves and Surplus	
	Retained Earnings	
	Balance at beginning of the period i.e. 15th November, 2019	-
	Add: (Loss) for the period	<u>(19,511)</u>
	Balance at end of the period	<u>(19,511)</u>
	Total	<u>(19,511)</u>

Notes on Financial Statements for the period ended 31st March, 2020

4 Other Financial Liabilities - Current	(Amount in Rs.)
	As at
	31st March, 2020
Others*	9,393
Total	9,393

*Includes payables for preliminary expenses, etc.

5 Other Current Liabilities	(Amount in Rs.)
	As at
	31st March, 2020
Other Payables*	10,000
Total	10,000

*Includes sundry payables

6 Other Expenses	(Amount in Rs.)
	15.11.2019 to
	31.03.2020
Company Incorporation Expenses	5,251
Rates and Taxes	4,142
Bank Charges	118
Payment to Auditors (Refer Note 13)	10,000
Total	19,511

7 EARNINGS PER SHARE (EPS)	15.11.2019 to
	31.03.2020
Basic Earnings per Share (Rs.)	
i. Loss for the year as per Statement of Profit and Loss	(19,511)
ii. Weighted Average number of equity shares used as denominator for calculating EPS	10,000
iii. Basic Earnings per share (Rs.)	(1.95)
iv. Diluted Earnings per share (Rs.)	(1.95)
v. Face Value per equity share (Rs.)	10

8 RELATED PARTY DISCLOSURES

(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 with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industries Limited	Holding Company

Notes on Financial Statements for the period ended 31st March, 2020

(ii) Transactions during the year with related parties (Amount in Rs.)

Sr. No.	Nature of Transactions	Holding Company
(excluding reimbursements)		
1	Shares issued and subscribed	100,000
Balances as at 31st March 2020		
2	Share Capital	100,000

Disclosure in Respect of Material Related Party Transactions during the year : (Amount in Rs.)

Sr. No.	Particulars	Relationship	15.11.2019 to 31.03.2020
1	Shares issued and subscribed		
	Reliance Industries Limited	Holding	100,000

Balances as at 31st March 2020

Sr. No.	Particulars	Relationship	As at 31st March 2020
2	Share Capital		
	Reliance Industries Limited	Holding	100,000

9 CAPITAL MANAGEMENT

The Company adheres to a robust Capital Management framework which is underpinned by the following guiding principles;

- a) Ensure financial flexibility and diversify sources of financing and their maturities to minimize liquidity risk while meeting investment requirements.
- b) Proactively manage exposure in forex, interest and commodities to mitigate risk to earnings.
- c) Leverage optimally in order to maximize shareholder returns while maintaining strength and flexibility of the Balance sheet.

Capital structure is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

Gearing Ratio

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

(Amount in Rs.)

	As at 31st Mar'20
Gross Debt	-
Cash and cash equivalent	-
Net Debt (A)	-
Total Equity (As per Balance Sheet) (B)	-
Net Gearing (A/B) %	-

Note: No Debt, hence ratio not given for current year

Notes on Financial Statements for the period ended 31st March, 2020

10 FINANCIAL INSTRUMENTS

Valuation

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

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

Fair Value Measurement Hierarchy:

(Amount in Rs.)

Particulars	As at 31st March, 2020		
	Carrying Amount	Level of input used in	
		Level 1	Level 2
Financial Assets			
At Amotised Cost			
Cash and Bank Balances	99,882	-	-
At FVTPL	-	-	-
Financial Liabilities			
At Amortised Cost	-	-	-
Other Financial Liabilities	9,393	-	-
At FVTPL	-	-	-

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

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

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

Foreign Currency Risk

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

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the company. Credit risk arises from company's activities in investments and outstanding receivables from customers.

The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Sales made to customers on credit and advances to vendors are secured through Letters of Credit, Bank Guarantees, Parent Company Guarantees and advance payments.

Liquidity Risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. The Company will ensure that sufficient liquidity is available to

Notes on Financial Statements for the period ended 31st March, 2020

meet all of its commitments by raising loans or arranging other facilities as and when required from group companies.

11 SEGMENT REPORTING

The Company has not yet commenced commercial operations and hence disclosure as per Ind AS 108 - Operating Segments is not required.

- 12 The Company was incorporated on 15th November,2019 and accordingly financial statements till 31st March,2020 have been prepared. This being the first financial year, figures of previous year are not applicable.

13 PAYMENT TO AUDITORS

(Amount in Rs.)

i	Statutory Audit Fees	<u>10,000</u>
	Total	<u><u>10,000</u></u>

14 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by board of directors on 28th April, 2020

As per our Report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Regn No: 101720W/ W-100355

R. Koria

Partner

Membership No. 35629

UDIN: 20035629AAAACO7745

Place: Mumbai

Date: 28th April, 2020

For and on behalf of the Board

Akash M. Ambani

Director

(DIN: 06984194)

Isha M. Ambani

Director

(DIN: 06984175)

Kiran M.Thomas

Director

(DIN: 02242745)

Pankaj Pawar

Director

(DIN: 00085077)