

**Reliance Commercial Dealers Limited**  
**Financial Statements**  
**2019-20**

## Independent Auditor's Report

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### To The Members of Reliance Commercial Dealers Limited

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the Financial Statements of Reliance Commercial Dealers Limited (“the Company”), which comprise the Balance Sheet as at 31st March 2020, the Statement of profit and loss including Other Comprehensive Income, Statement of changes in equity and Statement of Cash Flows for the year then ended, 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, and its Profit including Other Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing 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 Directors Report. Our opinion on the 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 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. If, based on the work we have performed, 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.

##### 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 Standards on Auditing 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 Standards on Auditing, we exercise professional judgment and maintain professional scepticism 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 Companies Act, 2013, 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 Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 Statement of Changes in Equity and the Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board

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of Directors, none of the directors is disqualified as on 31st March, 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 26 to the financial statements.
  2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Rajendra & Co**

Chartered Accountants

Firm’s Registration No. 108355W

**K. K. Desai**

Partner

Membership No. 100805

Place: Mumbai

Date: 21<sup>st</sup> April, 2020

UDIN 20100805AAAABL2826

## Annexure A to the Independent Auditors' Report

### “ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE COMMERCIAL DEALERS LIMITED

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

- i. In respect of its fixed assets:
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c. As the Company has no immovable assets and hence, clause (i) (c) of paragraph 3 of the Order is not applicable to the Company.
- ii. As explained to us, physical verification of the inventories have been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies were noticed on such physical verification.
- iii. According to the information and explanations given to us, 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 and hence reporting under clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has not directly or indirectly advanced any loan to the person or given guarantees or securities in connection with the loan taken by persons covered under Section 185 of the Act and hence clause (IV) of paragraph 3 of the order is not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause(v) of paragraph 3 of the Order is not applicable to the Company
- vi. In our opinion, to the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.
- vii. In respect of Statutory dues:
  - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues have been generally 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 31<sup>st</sup> March, 2020 for a period of more than six months from the date becoming payable.
  - b. According to the information and explanations given to us, the disputed dues on account of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess that have not been deposited before appropriate authorities are as under:

Sr. No.	Name of the Statute	Nature of Dues	Amount (In Crore)	Period to which amount relates	Forum where dispute is pending
1	Custom Act 1962	Custom Duty (including Interest and Penalty)	379.49	Various years from 2003-04 to 2015-16	Assistant Commissioner of Custom
2	Mumbai Municipal Corporation (levy) of Octroi Rules 1956	Octroi Duty	0.40	2008-09	Supreme Court of India
3.	Central Excise Act, 1944	Service Tax	18.27	Various years from 2008-09 to 2010-11	Commissioner of GST
Total			398.16		

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- viii.** In our opinion and according to the information given to us, the Company has not raised loans from financial institutions or banks or government and the Company has not borrowed any funds by issue of debentures; 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 loans and hence clause (ix) of paragraph 3 of the order is not applicable to the Company.
- x.** In our opinion, based on the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi.** In our opinion and according to the information and explanations given to us managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- xii.** In our opinion Company is not a Nidhi Company and hence reporting under, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- xiii.** In our opinion and according to information and explanations provided by the management, transactions with related parties are in compliance with section 177 and 188 of the Act and the details have been disclosed in the Financial Statements, 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 reporting under 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, during the year, 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 and hence reporting under clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
- xvi.** In our opinion, to the best of our knowledge 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 Rajendra & Co**

Chartered Accountants

Firm's Registration No. 108355W

**K. K. Desai**

Partner

Membership No. 100805

Place: Mumbai

Date: 21<sup>st</sup> April, 2020

UDIN 20100805AAAABL2826

## Annexure B to Independent Auditors' Report

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### ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE COMMERCIAL DEALERS LIMITED

#### Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

We have audited the Internal Financial Control with reference to financial statements of **RELIANCE COMMERCIAL DEALERS LIMITED** ("the company") as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the Financial Statements of the Company for the year then ended.

#### Management Responsibility for the Internal Financial Controls

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

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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 with reference to 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 judgment, 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 with reference to financial statements.

#### Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to 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 with reference to 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.

#### Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of

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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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to 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, 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For Rajendra & Co**

Chartered Accountants

Firm's Registration No. 108355W

**K. K. Desai**

Partner

Membership No. 100805

Place: Mumbai

Date: 21<sup>st</sup> April, 2020

UDIN 20100805AAAABL2826

## Balance Sheet as at 31st March 2020

	Note	As at 31st March 2020	Amount in ₹ Crore As at 31st March 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	1	228.69	204.44
Non- Financial Assets			
Other Non-Current Assets	2	166.80	160.98
<b>Total Non-Current Assets</b>		<b>395.49</b>	<b>365.42</b>
<b>Current assets</b>			
Inventories	3	24.16	20.02
Financial Assets			
Investments	4	2.31	23.69
Trade Receivables	5	123.19	145.56
Cash and Cash Equivalents	6	0.31	1.27
Loans	7	10.39	6.57
Other Current Assets	9	9.38	26.74
<b>Total Current Assets</b>		<b>169.73</b>	<b>223.85</b>
<b>Total Assets</b>		<b>565.22</b>	<b>589.27</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Equity Share Capital	10	15.00	15.00
Other Equity	11	262.89	262.13
<b>Total Equity</b>		<b>277.89</b>	<b>277.13</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Financial Liabilities			
Other Financial liabilities	12	240.00	240.00
Provisions	13	2.27	1.74
Deferred Tax Liability (Net)	14	2.74	3.17
<b>Total Non-Current Liabilities</b>		<b>245.01</b>	<b>244.90</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Trade Payables Due to:	15	-	-
Micro and Small enterprise			
Other than Micro and Small enterprises		36.38	52.05
Other Current Liabilities	16	5.13	14.51
Provisions	17	0.81	0.68
<b>Total Current Liabilities</b>		<b>42.33</b>	<b>67.24</b>
<b>Total Liabilities</b>		<b>287.33</b>	<b>312.14</b>
<b>Total Equity and Liabilities</b>		<b>565.22</b>	<b>589.27</b>
Significant accounting policies			
See accompanying Notes to the Financial Statements			

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As per our Report of even date

For and on behalf of the Board

For Rajendra &amp; Co.

Chartered Accountants

(Firm Registration No. 108355W)

**Kamlesh Desai**

Partner

Membership No. -100805

**Nikhil Meswani**

Chairman

**Hital Meswani**

Director

**P M S Prasad**

Director

**Sandeep Junnarkar**

Director

**Vinit Phatak**

Director

**Geeta Fulwadaya**

Director

**Sudhir Nayak**

Manager

**Dipti Baxi**

Chief Financial Officer

**Vikas Pethe**

Company Secretary

Place: Mumbai

Date: 21st April 2020

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

	Note	2019-20	Amount in ₹ Crore 2018-19
<b>Income</b>			
<b>Revenue from operations</b>			
Income from Services	18	530.16	522.99
Other Income	19	1.09	3.70
<b>Total Income</b>		<u>531.25</u>	<u>526.69</u>
<b>Expenses</b>			
Employee Benefits Expense	20	49.54	44.58
Finance Cost	21	0.26	0.00
Depreciation and Amortisation Expense	1	82.94	82.66
Other Expenses	22	397.80	398.57
<b>Total Expenses</b>		<u>530.53</u>	<u>525.81</u>
<b>Profit before tax</b>		<u>0.71</u>	<u>0.88</u>
<b>Tax Expenses</b>			
Current Tax		0.11	0.17
Deferred Tax		(0.31)	(0.01)
		-	-
<b>Profit for the Year</b>		<u>0.91</u>	<u>0.72</u>
<b>Other Comprehensive Income</b>			
a) Items that will not be reclassified to statement of Profit and Loss- (Gratuity)	20.1(IV)	<u>(0.35)</u>	<u>(0.12)</u>
Income tax relating to item that will not be reclassified to profit/loss		0.17	0.04
Total Other Comprehensive Income for the year (Net of Tax)		<u>(0.18)</u>	<u>(0.08)</u>
<b>Total Comprehensive Income for the year</b>		<u>0.74</u>	<u>0.64</u>
Earnings per Equity share of face value of (₹)10 each			
Basic in ₹	24	0.61	0.48
Diluted in ₹	24	0.03	0.03

Significant accounting policies

See accompanying Notes to the Financial Statements

1 to 32

**As per our Report of even date**

**For and on behalf of the Board**

**For Rajendra & Co.**

Chartered Accountants

(Firm Registration No. 108355W)

**Kamlesh Desai**

Partner

Membership No. -100805

**Nikhil Meswani**

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Manager

**Hital Meswani**

Director

**Vinit Phatak**

Director

**Dipti Baxi**

Chief Financial Officer

**P M S Prasad**

Director

**Geeta Fulwadaya**

Director

**Vikas Pethe**

Company Secretary

Place: Mumbai

Date: 21<sup>st</sup> April, 2020

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

### A. EQUITY SHARE CAPITAL

Amount in ₹ Crore

Balance at the beginning of the reporting period i.e. 1st April, 2018	Changes in equity share capital during the year 2018-19	Balance at the end of the reporting period i.e. 31st March, 2019	Changes in equity share capital during the year 2019-20	Balance at the end of the reporting period i.e. 31st March 2020
15.00	-	15.00	-	15.00

### B. OTHER EQUITY

As on 31 March 2019

Amount in ₹ Crore

Particulars	Reserves and Surplus		
	Instrument classified as Equity	Retained Earnings	Other Comprehensive Income
Balance at the beginning of the reporting period i.e. 1st April, 2018	200.00	11.60	(0.07)
Zero coupon convertible loan from Associate with Fellow subsidiary company	50.00	-	-
Adjustment related to Fixed Assets	-	(0.04)	-
Total Comprehensive Income for the year	-	0.72	(0.08)
<b>Balance at the end of the Reporting period i.e. 31st March, 2019</b>	<b>250.00</b>	<b>12.28</b>	<b>(0.15)</b>

As on 31st March 2020

Amount in ₹ Crore

Particulars	Reserves and Surplus		
	Instrument classified as Equity	Retained Earnings	Other Comprehensive Income
Balance at the beginning of the reporting period i.e. 1st April, 2019	250.00	12.28	(0.15)
Zero coupon convertible loans from Fellow subsidiary company	-	-	-
Adjustment related to Fixed Assets	-	0.03	-
Total Comprehensive Income for the year	-	0.91	(0.18)
<b>Balance at the end of the Reporting period i.e. 31st Mar, 2020</b>	<b>250.00</b>	<b>13.22</b>	<b>(0.33)</b>

As per our Report of even date

For and on behalf of the Board

For Rajendra &amp; Co.

Chartered Accountants

(Firm Registration No. 108355W)

Kamlesh Desai

Partner

Membership No. -100805

Nikhil Meswani

Chairman

Sandeep Junnarkar

Director

Sudhir Nayak

Manager

Hital Meswani

Director

Vinit Phatak

Director

Dipti Baxi

Chief Financial Officer

P M S Prasad

Director

Geeta Fulwadaya

Director

Vikas Pethe

Company Secretary

Place: Mumbai

Date: 21st April 2020

## Cash Flow Statement for the year ended 31st March, 2020

	Amount in ₹ Crore	
	2019-20	2018-19
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit Before Tax as per Profit and Loss Statement</b>	0.71	0.88
<b>Adjusted for:</b>		
Depreciation	82.94	82.66
Effect of Exchange Rate Change Unrealised	1.91	(2.40)
Profit on Sale of Investments (net)	(0.59)	(0.65)
Gains/loss on Actuarial Valuation of Gratuity	0.35	0.12
Profit on Sale of Asset (Net)	0.00	-
Bad Debts Written Off	-	0.15
	<u>84.61</u>	<u>79.64</u>
<b>Operating profit/ (loss) before working capital changes</b>	<b>85.32</b>	<b>80.52</b>
<b>Adjusted for:</b>		
Trade and Other Receivables	36.27	37.98
Inventories	(4.13)	(2.94)
Trade and Other Payables	(26.63)	23.52
	<u>5.51</u>	<u>58.56</u>
<b>Cash Generated from Operations</b>	<b>90.83</b>	<b>139.08</b>
Taxes Paid (Net)	(3.87)	6.67
<b>Net Cash from/ (used in) Operating Activities</b>	<b>86.96</b>	<b>145.75</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(107.59)	(74.21)
Reduction/(Increase) in Capital Work In Progress (Capital Advances)	(2.30)	(105.52)
Proceeds from Sale of Fixed Assets	0.01	-
Purchase of Current Investments	21.97	(15.67)
<b>Net Cash from/ (used in) Investing Activities</b>	<b>(87.92)</b>	<b>(195.40)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings - Non Current	-	50.00
<b>Net Cash from/ (used in) Financing Activities</b>	<b>50.00</b>	<b>50.00</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>(0.96)</b>	<b>0.36</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>1.27</b>	<b>0.91</b>
<b>Closing Balance of Cash and Cash Equivalents (Refer Note No. 6)</b>	<b>0.31</b>	<b>1.27</b>

## Cash Flow Statement for the year ended 31st March, 2020

### CHANGE IN LIABILITY ARISING FROM FINANCING ACTIVITIES

	01st April, 2019	Cash Flow	31st March, 2020
Zero coupon convertible loans - Non-Current (Refer Note 11)	250	-	250
	<b>250</b>	<b>-</b>	<b>250</b>
	01st April, 2018	Cash Flow	31st March, 2019
Zero coupon convertible loans - Non-Current (Refer Note 11)	200	50	250
	<b>200</b>	<b>50</b>	<b>250</b>

#### As per our Report of even date

#### For Rajendra & Co.

Chartered Accountants

(Firm Registration No. 108355W)

#### Kamlesh Desai

Partner

Membership No. -100805

#### For and on behalf of the Board

#### Nikhil Meswani

Chairman

#### Sandeep Junnarkar

Director

#### Sudhir Nayak

Manager

#### Hital Meswani

Director

#### Vinit Phatak

Director

#### Dipti Baxi

Chief Financial Officer

#### P M S Prasad

Director

#### Geeta Fulwadaya

Director

#### Vikas Pethe

Company Secretary

Place: Mumbai

Date: 21<sup>st</sup> April, 2020

## Notes on Financial Statements for the year ended 31st March 2020

### A. CORPORATE INFORMATION

Reliance Commercial Dealers Limited (“the Company”) is a company incorporated in India and is inter alia engaged in providing Air Transport services to its Passengers. The addresses of its registered office and principal place of business is 9th Floor, Maker Chambers IV 222, Nariman Point Mumbai- 400021. Maharashtra and Reliance Hanger, Gate No. 8, Old Airport, Near Kalina Millitary Camp, Santacruz (East), Mumbai - 400029 respectively.

### B. ACCOUNTING POLICIES

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

The financial statements of the Company have been prepared to comply with the Indian Accounting standards (‘Ind AS’), including the rules noticed under the relevant provisions of the companies Act, 2013.

Company’s financial statements are presented in Indian Rupee (₹), which is also functional currency and all values are rounded to the nearest crore (₹ 00,00,000), except when otherwise indicated.

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

- i) Certain financial assets and liabilities (including derivative instruments) measured at fair value,
- ii) Defined benefit plans - plan assets measured at fair value,

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

##### (a) Property, plant and equipment/Tangible assets:

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and arrangements arising from exchange rate variations attributable to the assets. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow the entity and the cost can be measured reliably.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 based on useful life of asset except in case of Leasehold improvements on aircraft where the depreciation is being charged on Straight line method.

##### (b) Foreign currency transactions

- i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.
- ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- iii) Non monetary foreign currency items are carried at cost.
- iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss Statement except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

##### (c) Inventories

Items of inventories are measured at lower of cost or net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion, and other costs incurred in bringing them to their respective present location and condition.

##### (d) Revenue recognition

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

## Notes on Financial Statements for the year ended 31st March 2020

### Interest Income

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

### Dividends

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

### (e) Tax expenses

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

#### Current tax

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

#### Deferred tax

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

Deferred tax 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.

### (f) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of times recognised as a finance cost.

### (g) Financial instruments

#### (i) Financial Assets

##### A. **Initial recognition and measurement:**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

Purchase and sale of financial assets are recognised using trade date accounting.

##### B. **Subsequent measurement**

###### a) **Financial assets carried at amortised cost (AC)**

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

###### b) **Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## Notes on Financial Statements for the year ended 31st March 2020

### c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are fair valued through profit or loss.

### C. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment assessment of financial assets other than those measured at fair value through profit and loss (FVTPL).

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

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

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

For trade receivables company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. Further the company uses historical default rates to determine impairment loss on the portfolio of trade receivables.

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

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

If there is significant increase in credit risk full lifetime ECL is used.

### ii) Financial liabilities

#### A. Initial recognition and measurement:

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

#### B. Subsequent measurement:

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### iii) Derecognition of financial instruments:

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

### (h) Employee Benefits

#### (i) Employee Benefits Expense

##### Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

##### Post-Employment Benefits

##### Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity.

The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme

The Company's contribution payable to provident fund is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date, exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

## Notes on Financial Statements for the year ended 31st March 2020

### Defined Benefit Plans

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

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective IT authorities.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

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

### Employee Separation Costs

The Company recognises the employee separation cost when the scheme is announced and the Company is demonstrably committed to it.

### (i) 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. 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.

### 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) Depreciation and useful lives of property plant and equipment

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

#### b) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

#### c) Provision

Provisions and liabilities are recognised 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 flow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. since the cash outflows can take place many years in future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

#### d) Issue of IND AS 116 - Leases

Ind AS 116 has superseded the standard on leases i.e. Ind AS 17- Leases. The application of this standard is not expected to have any significant impact on the company's financial statement.

## Notes on Financial Statements for the year ended 31st March 2020

### 1. Property, Plant & Equipment

Description	Amount in ₹ Crore									
	Gross block			Depreciation				Net block		
	As at 1st April, 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2020	As at 1st April, 2019	Deductions/ Adjustments	For the year	Upto 31st March 2020	As at 31st March, 2020	As at 31st March, 2019
<b>Tangible assets</b>										
Own assets:										
Aircrafts	497.15	89.68	-	<b>586.83</b>	310.52	(0.03)	77.40	<b>387.88</b>	198.94	186.63
Vehicles	1.32	-	(0.71)	<b>0.61</b>	1.22	(0.66)	0.01	<b>0.57</b>	0.04	0.10
Aircraft Pushback Tractor	0.35	-	-	<b>0.35</b>	0.33	-	-	<b>0.33</b>	0.02	0.02
Equipment	25.08	17.89	(0.38)	<b>42.59</b>	7.51	0.00	5.50	<b>13.01</b>	29.58	17.57
Furniture and Fixtures	0.99	0.02	-	<b>1.01</b>	0.86	-	0.04	<b>0.90</b>	0.11	0.13
<b>Total</b>	<b>524.89</b>	<b>107.59</b>	<b>(1.09)</b>	<b>631.38</b>	<b>320.45</b>	<b>(0.69)</b>	<b>82.94</b>	<b>402.69</b>	<b>228.69</b>	<b>204.44</b>
Previous year	450.68	74.21	-	524.89	237.73	0.05	82.66	320.45	204.44	-

### 2. Other Non-Current Assets (unsecured and considered good)

	Amount in ₹ Crore	
	As at 31st March, 2020	As at 31st March, 2019
Capital Advances	149.72	147.41
Deposits	3.37	3.73
Advances Income Tax (Net of Provision)	13.71	9.84
<b>Total</b>	<b>166.80</b>	<b>160.98</b>

	Amount in ₹ Crore	
	As at 31st March, 2020	As at 31st March, 2019
<b>Advance Income Tax (Net of Provision)</b>		
At start of year	9.84	16.36
Charge for the year	0.11	0.17
Refund received during the year	(2.83)	(15.67)
Others*	(0.05)	(0.02)
Tax paid during the year	6.64	9.00
At end of year	<b>13.71</b>	<b>9.84</b>

\* Mainly pertains to Provision for tax on Other Comprehensive Income

### 3. Inventories (valued at lower of cost and net realisable value)

	Amount in ₹ Crore	
	As at 31st March, 2020	As at 31st March, 2019
Stores & Spares	24.16	20.02
<b>Total</b>	<b>24.16</b>	<b>20.02</b>



## Notes on Financial Statements for the year ended 31st March 2020

8. Taxation Note	2019-20	Amount in ₹ Crore 2018-19
<b>Income Tax recognised in Statement of Profit and Loss</b>		
Current Tax	0.06	0.15
Deferred Tax	(0.43)	(0.03)
Total Income Tax expenses recognised in the current year	<u>(0.37)</u>	<u>0.12</u>
The income Tax expenses for the year can be reconciled to the accounting profit as follows:		
	<b>2019-20</b>	<b>2018-19</b>
Profit Before Tax	0.71	0.88
Applicable Tax Rate	34.608%	34.608%
Computed Tax Expense	0.25	0.30
Tax effect of:		
Exempted Income	-	-
Expenses Disallowed	84.93	84.09
Additional Allowances net of MAT Credit	(72.40)	(62.69)
Carried Forward Losses Utilised	(12.71)	(21.56)
<b>Current Tax Provision (A)</b>	<u><b>0.06</b></u>	<u><b>0.15</b></u>
Incremental Deferred Tax Liability on account of Tangible and Intangible Assets	(3.70)	(7.58)
Incremental Deferred Tax Liability on account of Financial Assets and Other Items	3.27	7.55
<b>Deferred Tax Provision (B)</b>	<u><b>(0.43)</b></u>	<u><b>(0.03)</b></u>
<b>Tax Expenses recognised in Statement of Profit and Loss (A + B)</b>	<u><b>(0.37)</b></u>	<u><b>0.12</b></u>
<b>Effective Tax Rate</b>	<b>0.00%</b>	<b>13.71%</b>
<b>9. Short-term loans and advances — Other Current Assets</b>		
(unsecured and considered good)	As at <b>31st March, 2020</b>	Amount in ₹ Crore As at <b>31st March, 2019</b>
Balance with service tax/ sales tax authorities, etc.	2.82	10.31
Others*	6.55	16.43
<b>Total</b>	<u><b>9.38</b></u>	<u><b>26.74</b></u>
* Includes Prepaid expenses & Claims receivables		
<b>10. Share capital</b>		
	As at <b>31st March, 2020</b>	Amount in ₹ Crore As at <b>31st March, 2019</b>
<b>Authorised:</b>		
<b>1,50,00,000</b> Equity shares of ₹ 10 each (1,50,00,000)	<u><b>15.00</b></u>	<u>15.00</u>
<b>Total</b>	<u><b>15.00</b></u>	<u>15.00</u>
<b>Issued, subscribed and paid-up:</b>		
<b>Fully paid-up</b>		
<b>1,50,00,000</b> Equity shares of ₹ 10 each(Fully Paid -up) (1,50,00,000)	<u><b>15.00</b></u>	<u>15.00</u>
<b>Total</b>	<u><b>15.00</b></u>	<u>15.00</u>

Figures in bracket represents previous year's figures.

## Notes on Financial Statements for the year ended 31st March 2020

### (i) THE DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	(% held)	No. of Shares	(% held)
Reliance Industries Limited	150 00 000	100%	-	-
Reliance Corporate IT Park Limited	-	-	75 00 000	(50%)
Reliance Strategic Investments Limited	-	-	37 50 000	(25%)
Reliance Industrial Investments and Holdings Limited	-	-	37 50 000	(25%)

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

Particulars	As at	As at
	31st March, 2020	31st March, 2019
	No. of shares	No. of shares
Equity shares outstanding at the beginning of the year	1,50,00,000	1,50,00,000
Add: Equity shares issued during the year	-	-
Equity shares outstanding at the end of the year	1,50,00,000	1,50,00,000

(iii) No Bonus Shares have been issued during the last five years.

(iv) The Company has one class of ordinary shares viz:- 1,50,00,000 fully paid up Equity shares of Rs.10/- each amounting to Rs.15,00,00,000.

### (v) Rights, preference and restrictions attached to shares:

The Equity shares in the Company is rank pari passu in all respects including voting rights and entitlement of dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held.

11 Other Equity	Amount in ₹ Crore	
	As at 31st March, 2020	As at 31st March, 2019
<b>Zero coupon convertible loans*</b>	<b>250.00</b>	<b>250.00</b>
<b>Retained Earnings</b>		
<b>Profit and Loss Account</b>		
As per last Balance Sheet	12.28	11.60
Add: Adjustment related to Fixed Assets	0.03	(0.04)
Add: Profit for the year	0.91	0.72
	<b>13.22</b>	<b>12.28</b>
<b>Other Comprehensive Income (OCI)</b>		
As per last Balance Sheet	(0.15)	(0.07)
Add: Movement in OCI (Net) during the year	(0.18)	(0.08)
	<b>(0.33)</b>	<b>(0.15)</b>
<b>Total</b>	<b>262.89</b>	<b>262.13</b>

\* The Loan shall, at the option of the Company, be fully convertible into Equity Shares of Rs. 10/- each at par. The Lender shall have an option to convert the outstanding amount of loan into Equity Shares of Rs. 10/- each at par after 3 months from the date of first disbursement. The Equity Shares arising out of conversion of the Loan shall rank pari passu in all respects with the then outstanding equity shares of the Company. The outstanding amount of Loan, if not opted for conversion shall be repayable, within 10 years from the date of first disbursement or such other period as may be mutually agreed between the Company and the Lender.

## Notes on Financial Statements for the year ended 31st March 2020

		Amount in ₹ Crore	
		As at	As at
		31st March, 2020	31st March, 2019
<b>12</b>	<b>Non- Current Liabilities</b>		
	<b>Unsecured</b>		
	Deposits received from customer - Related Party (Refer Note No. 28 (ii))	240	240
	<b>Total</b>	<u>240</u>	<u>240</u>
<b>13</b>	<b>Provisions - Non Current</b>		
	Provision for Employee Benefits*	2.27	1.74
	<b>Total</b>	<u>2.27</u>	<u>1.74</u>
	* Refer Note 20.1		
<b>14.</b>	<b>Deferred tax Liability (net)</b>		
	At the start of the year	3.17	3.20
	Charge/(credit) to profit or loss	(0.43)	(0.03)
	At the end of year	<u>2.74</u>	<u>3.17</u>
	<b>COMPONENT OF DEFERRED TAX LIABILITIES / (ASSET)</b>		
		As at	As at
		31st March, 2019	31st Mar 2020
	Deferred tax liabilities / (asset) in relation to:	-	-
	Property, plant and equipment	15.97	12.26
	Employee Benefits	(0.06)	(1.03)
	Unabsorbed Business Losses	(12.74)	(8.50)
	<b>Total</b>	<u>3.17</u>	<u>2.74</u>
		Charge/(credit)	
		to profit or loss	
		3.70	0.97
		(4.24)	0.43
<b>15.</b>	<b>Trade payables</b>		
	<b>Trade payables</b>		
	Micro and Small Enterprises <sup>(i)</sup>	-	-
	Others	36.38	52.05
	<b>Total</b>	<u>36.38</u>	<u>52.05</u>
	(i) There are no overdue amounts to Micro, Small and Medium Enterprises for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.		
<b>16.</b>	<b>Other Current Liabilities</b>		
	Others Payables*	5.13	14.51
	<b>Total</b>	<u>5.13</u>	<u>14.51</u>
	* Includes advances/ deposits received and statutory liabilities.		
<b>17.</b>	<b>Provisions</b>		
	Provision for employee benefits*	0.81	0.68
	<b>Total</b>	<u>0.81</u>	<u>0.68</u>
	* Refer Note 20.1		

## Notes on Financial Statements for the year ended 31st March 2020

	Amount in ₹ Crore	
	2019-20	2018-19
<b>18. Revenue from operations</b>		
Income from Services	593.72	585.75
Less: CGST Paid	(31.78)	(31.38)
Less: SGST paid	(31.78)	(31.38)
<b>Total</b>	<b>530.16</b>	<b>522.99</b>
<b>18. Broad Category of services</b>		
<b>Services rendered</b>		
Income from Services	593.72	585.75
Less: CGST Paid	(31.78)	(31.38)
Less: SGST paid	(31.78)	(31.38)
<b>Total</b>	<b>530.16</b>	<b>522.99</b>
<b>19. Other income</b>		
Net gain on sale of Current investments	0.59	0.65
Other non-operating income	0.18	0.19
Interest on Income Tax Refund	0.32	2.87
<b>Total</b>	<b>1.09</b>	<b>3.70</b>
<b>20. Employee benefits expense</b>		
Salaries and Wages	45.87	41.20
Contribution to Provident and Other Funds	2.68	2.42
Staff Welfare Expenses	1.00	0.97
<b>Total</b>	<b>49.54</b>	<b>44.58</b>

**20.1** As per Indian Accounting Standard 19 “Employee Benefits”, the disclosures as defined are given below:

### Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

	Amount in ₹ Crore	
Particulars	2019-20	2018-19
Employer’s Contribution to Provident Fund	1.80	1.62
Employer’s Contribution to Superannuation Fund	0.08	0.08
Employer’s Contribution to Pension Fund	0.12	0.16

## Notes on Financial Statements for the year ended 31st March 2020

### I. Reconciliation of opening and closing balances of Defined Benefit Obligation

Amount in ₹ Crore

Particulars	Gratuity (Funded)	
	2019-20	2018-19
	As at 31st March 2020 & 31st March 2019	
Defined Benefit Obligations at the beginning of the year	3.10	2.98
Current Service Cost	0.53	0.43
Add: on Acquisition/Transfer	-	-
Interest Cost	0.25	0.24
Actuarial (Gain / Loss)	0.35	0.10
Benefits Paid	(0.11)	(0.65)
Defined Benefit Obligations at the end of the year	4.12	3.10

### II. Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets

Amount in ₹ Crore

Particulars	Gratuity Funded	
	2019-20	2018-19
Fair value of Plan Assets at beginning of year	3.10	3.03
Expected Return on Plan Assets (Interest income)	0.25	0.24
Assets Transferred In/Acquisition	-	-
Actuarial Gain / (Loss)	-	-
Employer Contribution	0.78	0.50
Benefits Paid	-	(0.65)
Actual return on Plan Assets	(0.00)	(0.02)
Fair value of Plan Assets at year end	4.12	3.10

### III. Reconciliation of the Fair Value of Assets and Obligations

Amount in ₹ Crore

Particulars	Gratuity (Funded)	
	2019-20	2018-19
	As at 31st March 2020 & 31st March 2019	
Fair Value of Plan Assets	4.12	3.10
Present Value Obligation	(4.12)	(3.10)
Amount Recognised in Balance sheet (Surplus/Deficit)	-	-

### IV. Expenses recognized during the year

Amount in ₹ Crore

Particulars	Gratuity (Funded)	
	2019-20	2018-19
	As at 31st March 2020 & 31st March 2019	
<b>In Income Statement</b>		
Current Service Cost	0.53	0.43
Interest Cost	0.35	-
<b>Net Cost</b>	<b>0.88</b>	0.43
<b>In Other Comprehensive Income</b>		
Actuarial (Gain / Loss)	0.35	0.10
Return on Plan Assets	0.00	0.02

## Notes on Financial Statements for the year ended 31st March 2020

Net (Income)/ Expense For the period Recognised in OCI	0.35	0.12
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### V. Investment Details

Particulars	As at 31st March,2020		As at 31st March,2019	
	Rs in crore	% Invested	Rs in crore	% Invested
Insurance Policies	4.12	100.00%	3.10	100.00%
Others (including bank balances)	-	-	-	-

### VI. Actuarial Assumptions

Mortality Table (IALM)	Gratuity(Funded)	
	2019-20	2018-19
Discount Rate (Per Annum)	6.84%	8.00%
Expected Rate of Return on Plan Assets (Per Annum)	8.00%	8.00%
Rate of Escalation in Salary (Per Annum)	6.00%	6.00%

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

### VII. The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2019-20.

### VIII. Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary, increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Decrease	Increase	Decrease	Increase
Change in rate of discounting (delta effect of +/- 0.5%)	4.30%	-4.00%	4.20%	-4.00%
Change in rate of salary increase (delta effect of +/- 0.5%)	-4.10%	4.30%	-4.00%	4.30%
Change in rate of employee turnover (delta effect of +/- 0.5%)	-0.10%	0.10%	-0.40%	0.40%

21 Finance Costs	Amount in ₹ Crore	
	2019-20	2018-19
Interest Expenses	0.26	0.00
<b>Total</b>	<b>0.26</b>	<b>0.00</b>

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

		Amount in ₹ Crore	
	2019-20	2018-19	
<b>22. Other Expenses</b>			
<b>Operational Expenses</b>			
Lease Rent	145.91	147.23	
Fuel Expenses	57.20	49.76	
Airport Charges	42.35	46.22	
Maintenance and Spares Charges	68.33	90.79	
Subscription for Aircraft	3.54	2.11	
Loss on sale of Discarded Assets	<u>0.00</u>	-	
	<b>317.32</b>		336.11
<b>Establishment expenses</b>			
Professional Fees	6.23	5.93	
General Expenses	0.00	0.11	
Rent Rates & Taxes	4.11	1.12	
Insurance	8.27	6.05	
Other Repairs	2.54	1.62	
Travelling Expenses	17.66	16.55	
Payments to Auditors (Refer Note 22.1)	0.06	0.06	
Catering/Canteen Expenses	11.66	10.55	
Administration Expenses	16.64	13.08	
Bad Debts	-	0.15	
Seminar & Training Expenses	10.65	8.83	
Exchange Gain(Realised and Unrealised) Net	<u>2.65</u>	<u>(1.58)</u>	62.46
<b>Total</b>	<b><u>397.80</u></b>		<b><u>398.57</u></b>
<b>22.1 Payments to Auditors (excluding GST)</b>			
	2019-20		2018-19
Audit fees	0.04	0.04	
Tax Audit Fees	0.01	0.01	
Certification and consultation fees	<u>0.01</u>	<u>0.01</u>	
<b>Total</b>	<b><u>0.06</u></b>		<b><u>0.06</u></b>

Certification and consultation fees primarily includes certification fees paid to auditors. Statute and regulation permit auditors to certify export / import documentation, quarterly filings, XBRL filings among others.

### 22.2 Corporate Social Responsibility (CSR)

- (a) CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is Rs. 22,49,000 (Previous Year Rs. 26,32,000).
- (b) Expenditure related to Corporate Social Responsibility is Rs 25,00,000 (Previous Year Rs. 30,00,000).

#### Details of Amount spent towards CSR given below:

	Amount in ₹ Crore	
Particulars	2019-20	2018-19
Education	<u>0.25</u>	<u>0.30</u>
<b>Total</b>	<b><u>0.25</u></b>	<b><u>0.30</u></b>

- (c) Out of note (b) above entire amount of Rs. 25,00,000 amount (Previous year Rs. 30,00,000) is spent through Reliance Foundation, which is a related party. (Refer Note No. 28)

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

23 The Company is mainly engaged in 'Air Transportation of Passengers' in and outside India. All the activities of the Company revolve around this main business. Accordingly, the Company has only one identifiable segment reportable under Ind AS 108: Operating segments. The Board (the 'Chief Operating Decision Maker' as defined in Ind AS 108 'Operating Segments'), who is responsible for allocating resources and assessing performance obtains financial information. Revenue from one Customer contributed a substantial percentage of the Company's revenue for 2019-20.

24 Earnings per share (EPS)	2019-20	2018-19
<b>Face Value per share</b>	<b>10</b>	10
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in crore)	<b>0.91</b>	0.72
Weighted average number of equity shares used as denominator for calculating Basic EPS	<b>1 50 00 000</b>	1 50 00 000
<b>Basic Earnings per share of face value of ₹ 10 each (In ₹)</b>	<b>0.61</b>	0.48
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in crore)	<b>0.91</b>	0.72
Weighted average number of equity shares used as denominator for calculating Diluted EPS	<b>26 50 00 000</b>	26 50 00 000
<b>Basic and Diluted Earnings per share of face value of ₹ 10 each (In ₹)</b>	<b>0.03</b>	0.03

25 The Income Tax Assessments of the Company have been completed upto Assessment Year 16-17. The additional demand raised on the Company amounts to ₹ NIL.  
The Company does not expect any liability in respect of pending assessments.

		Amount in ₹ Crore	
26. Details of Contingent Liabilities & Commitments		As at	As at
Sr. No.	Particulars	31st March 2020	31st Mar 2019
	(A) Claims against the company / disputed liabilities not acknowledged as debts		
	(a) In respect of others	398.16	398.44
	* this includes Bank Guarantees issued against the disputed liabilities not acknowledged as debts of Rs 120.19cr(PY Rs. 120.19 cr)		
	(B) Guarantee		
	(i) Guarantees to Banks and Financial Institutions against credit facilities extended to third parties		
	(a) In respect of others	38.51	29.60
	(A) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
	(a) In respect of others	NIL	169.43

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

### 27. FINANCIAL INSTRUMENTS

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

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

Amount in ₹ Crore

#### A. Fair Value Measurement Hierarchy

Particulars	As at 31st March, 2020				As at 31st March, 2019			
	Carrying Amount	Level of input used in			Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial Assets</b>								
<b>At Amortised Cost</b>								
Investments	-	-	-	-	-	-	-	-
Trade Receivables	123.19	-	-	-	145.56	-	-	-
Cash and Cash Equivalents	0.31	-	-	-	1.27	-	-	-
Loans	10.39	-	-	-	6.57	-	-	-
Other Financial Assets	9.38	-	-	-	26.74	-	-	-
<b>At FVTPL</b>								
Investments	2.31	2.31	-	-	23.69	23.69	-	-
<b>Financial Liabilities</b>	-							
<b>At Amortised Cost</b>								
Borrowings	-	-	-	-	-	-	-	-
Trade Payables	36.38	-	-	-	52.05	-	-	-
Other Financial Liabilities	240.00	-	-	-	240.00	-	-	-

The financial instruments are categorized into three 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;

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

Level 3: Inputs based on unobservable market data.

#### Valuation Methodology

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

- The fair value of investment in quoted Equity Shares, Bonds, Government Securities, Treasury Bills and Mutual Funds is measured at quoted price or NAV.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

#### B. Financial Risk Management

The different types of risks the Company is exposed to are market risk, commodity risk, credit risk and liquidity risk. The Company uses derivative financial instruments such as forwards, options and swap contracts to minimise any adverse effect on its financial performance. All such activities are undertaken within an approved Risk Management Policy framework.

##### i) Market Risk

###### a) 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.

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

The following table shows foreign currency exposures in US Dollar, Euro and Japanese Yen on financial instruments at the end of the reporting period. The exposure to all other foreign currencies are not material.

Amount in ₹ Crore

### Foreign Currency Exposure

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	USD	EUR	GBP	USD	EUR	GBP
Borrowings	-	-	-	-	-	-
Trade and Other Payables	(3.15)	(0.98)	-	-	-	-
Trade and Other Receivables	0.73	0.27	-	-	-	-
<b>Derivatives</b>						
Forwards and Futures	-	-	-	-	-	-
Currency Swaps	-	-	-	-	-	-
Options	-	-	-	-	-	-
<b>Exposure</b>	<b>(2.42)</b>	<b>(0.71)</b>	-	-	-	-

The net exposures have natural hedges in the form of future foreign currency earnings and earnings linked to foreign currency for which the company may follow hedge accounting.

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

#### Foreign Currency Sensitivity

1 % Depreciation in INR	As at 31st March, 2020			As at 31st March, 2019		
	USD	EUR	JPY	USD	EUR	JPY
Impact on P&L (Loss)	(0.02)	(0.01)	-	-	-	-
Total	<b>(0.02)</b>	<b>(0.01)</b>	-	-	-	-

1 % Appreciation in INR	As at 31st March, 2020			As at 31st March, 2019		
	USD	EUR	JPY	USD	EUR	JPY
Impact on P&L	0.02	0.01	-	-	-	-
Total	<b>0.02</b>	<b>0.01</b>	-	-	-	-

#### b) Interest Rate Risk

The Company's exposure to the risk of changes in market interest rate relates to the floating rate debt obligations and derivative products taken to mitigate interest rate risk.

Since the Company doesn't have interest bearing borrowing outstanding at the end of the financial year, the exposure of the Company's borrowings and derivatives to interest rate changes at the end of the reporting year are NIL.

#### ii) Commodity Price Risk

Commodity price risk arises due to fluctuation in prices of crude oil, other feed stock and products and bullion. The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

The Company's commodity risk is managed centrally through well-established trading operations and control processes. In accordance with the risk management policy, the Company enters into various transactions using derivatives and uses over-the-counter as well as Exchange Traded Futures, Options and Swap contracts to hedge its commodity and freight exposure.

#### iii) Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the Company. Credit risk arises from Company's activities in investments, dealing in derivatives and receivables from customers.

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

The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Credit risk across the Company, is actively managed through Letters of Credit, Bank Guarantees, Parent Group Guarantees, advance payments, security deposits and factoring and forfeiting without recourse to Company. The Company restricts its fixed income investments in liquid securities carrying high credit rating.

### iv) Liquidity Risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on the due date. The Company maintains sufficient stock of cash, marketable securities and committed credit facilities. The Company accesses global and local financial markets to meet its liquidity requirements. It uses a range of products and a mix of currencies to ensure efficient funding from across well-diversified markets and investor pools. Treasury monitors rolling forecasts of the Company's cash flow position and ensures that the Company is able to meet its financial obligation at all times including contingencies.

The Company's liquidity is managed centrally with operating units forecasting their cash and liquidity requirements. Treasury pools the cash surpluses from across the different operating units and then arranges to either fund the net deficit or invest the net surplus in the market.

28 As per IND AS -24 'Related Party Disclosures', 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
	Reliance Industries Limited (Upto 28.05.2019)	} Ultimate Holding company
2	Reliance Industrial Investments and Holdings Limited (Upto May 17, 2020)	} Fellow Subsidiary company
3	Reliance Corporate IT Park Limited (Upto May 17, 2020)	} Fellow Subsidiary company
4	Reliance Strategic Investments Limited (Upto May 17, 2020)	} Fellow Subsidiary company
5	Reliance Jio Infocomm Limited	} Fellow Subsidiary company
6	Reliance Ventures Limited	} Fellow Subsidiary company
7	Reliance Retail Limited	} Fellow Subsidiary company
8	Shri Sudhir Nayak (Manager)	} Key managerial Personnel
9	Shri. Vikas Pethe (appointed as a Company Secretary w.e.f. April 12, 2019)	} Key managerial Personnel
10	Shri Rajendra Sawant (Company Secretary upto 18.01.2019)	} Key managerial Personnel
11	Ms. Dipti Baxi (Chief Financial Officer)	} Key managerial Personnel
12	Reliance Foundation	} Enterprise over which Key Managerial Personal of holding company are able to exercise significant influence

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

Sr. No	Nature of transactions	Amount in ₹ Crore				Total
		Holding company - RIL	Fellow subsidiary company	Key Managerial Personnel	Others	
1	Revenue from Operations	430.21 (382.85)	99.94 (74.74)	-	-	530.15 (457.59)
2	Purchases	12.54 (11.85)	-	-	-	12.54 (11.85)
3	Deposits taken(net)	-	-	-	-	-
4	Supply of Manpower	0.16 (0.47)	-	-	-	0.16 (0.47)

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

Sr. No	Nature of transactions	Amount in ₹ Crore				Total
		Holding company - RIL	Fellow subsidiary company	Key Managerial Personnel	Others	
5	Bank Guarantee Commission	-	-	-	-	-
		(0.92)	-	-	-	(0.92)
6	Business Support services	<b>2.61</b>	-	-	-	<b>2.61</b>
		(0.02)	-	-	-	(0.02)
7	Remuneration to Key Managerial Personnel	-	-	<b>1.44</b>	-	<b>1.44</b>
		-	-	(1.63)	-	(1.63)
8	Unsecured Loan Taken /Repaid	-	-	-	-	-
		-	<b>(50.00)</b>	-	-	(50.00)
9	Donation	-	-	-	<b>0.25</b>	<b>0.25</b>
		-	-	-	(0.30)	(0.30)
<b>Balance as at 31st March, 2020</b>						
6	Share capital	<b>15.00</b>	-	-	-	<b>15.00</b>
		-	(15.00)	-	-	(15.00)
7	Unsecured Loans	-	<b>250.00</b>	-	-	<b>250.00</b>
		-	(250.00)	-	-	(200.00)
8	Long term Liabilities	<b>240.00</b>	-	-	-	<b>240.00</b>
		(240.00)	-	-	-	(240.00)
9	Trade Receivables	<b>88.83</b>	<b>34.36</b>	-	-	<b>123.19</b>
		(82.52)	(63.54)	-	-	(146.06)
10	Trade Payables	<b>0.58</b>	-	-	-	<b>0.58</b>
		(0.14)	-	-	-	(0.14)

### 29 Disclosure in respect of major related party transactions:

- Revenue from Operations includes Reliance Industries Limited- Rs. 430.21 cr (previous year Rs. 382.85 cr)
- Purchases includes purchase of ATF from Reliance Industries Limited - Rs.12.54 cr (previous year Rs.11.85cr)
- Trade Receivables includes Reliance Industries Limited- Rs.88.83 cr (previous year Rs.82.52 cr), Reliance JIO Infocomm Ltd Rs.22.30cr (previous year Rs.63.54 Cr) and Reliance Retail Ltd Rs. 12.06 cr (previous year Nil)
- Trade Payables includes Reliance Industries Limited- Rs. 0.58 cr (previous year Rs. 0.14 cr).
- Remuneration to key Managerial personnel includes the following:-

Particulars	Amount in ₹ Crore	
	2019-20	2018-19
Shri Sudhir Nayak (Manager)	1.04	1.03
Shri Vikas Pethe (Company secretary w.e.f. April 12, 2019)	0.16	
Shri Rajendra Sawant (Company Secretary upto 18.01.2019)		0.40
Ms. Dipti Baxi (Chief Financial Officer)	0.24	0.20

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

The remuneration of Key Managerial Personnel during the year was as follows:

	2019-20	2018-19
i. Short term benefits	1.38	1.57
ii. Post employment benefits	0.06	0.06
iii. Other long term benefits		-
iv. Share based payments		-
v. Termination benefits		-
<b>Total</b>	<u><u>1.44</u></u>	<u><u>1.63</u></u>

**30** Details of loans given, investment made, guarantee given and securities provided covered u/s 186(4) of the Companies Act, 2013:

- (i) Loans given or investment made as at 31st March, 2020 is Nil (Previous Year Nil).  
(ii) Securities provided or guarantee given by the Company in respect of Loans as at 31st March, 2020 is Nil (Previous Year Nil).

**31** The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.

**32** i) **APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved for issue by the board of directors on 21st April, 2020.

**As per our Report of even date**

**For Rajendra & Co.**

Chartered Accountants

(Firm Registration No. 108355W)

**Kamlesh Desai**

Partner

Membership No. -100805

**For and on behalf of the Board**

**Nikhil Meswani**

Chairman

**Sandeep Junnarkar**

Director

**Sudhir Nayak**

Manager

**Hital Meswani**

Director

**Vinit Phatak**

Director

**Dipti Baxi**

Chief Financial Officer

**P M S Prasad**

Director

**Geeta Fulwadaya**

Director

**Vikas Pethe**

Company Secretary

Place: Mumbai

Date: 21<sup>st</sup> April, 2020