

Cluster Commercial Private Limited

Independent Auditor's Report

TO BOARD OF DIRECTORS CLUSTER COMMERCIALS PRIVATE LIMITED

Report on the Standalone Ind AS Financial Statements

WE HAVE AUDITED THE ACCOMPANYING STANDALONE IND AS FINANCIAL STATEMENTS OF **CLUSTER COMMERCIALS PRIVATE LIMITED** ("THE COMPANY"), WHICH COMPRISE THE BALANCE SHEET AS AT 31ST MARCH, 2017, THE STATEMENT OF PROFIT AND LOSS (INCLUDING OTHER COMPREHENSIVE INCOME) AND THE CASH FLOW STATEMENT AND THE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR THEN ENDED AND A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017 and its loss (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006, audited by us, our report in respect of previously issued statutory financial statements for the year ended 31st March 2016 and 31st March 2015 dated 15th June, 2016 and 10th June, 2015 respectively expressed an unmodified opinion, as adjusted for the differences in the accounting principles adopted by the company on transition date to the Ind AS, which have been audited by us.

Other Matters- restriction of use

The Company has filed a scheme of amalgamation of Model Economic Township Limited, Devashree Commercials Private Limited, Girisha Commercials Private Limited and Dignity Mercantile Private Limited with it which is pending for necessary approval. These financial statements have been prepared to assist Reliance Industries Limited, ultimate holding company to prepare its consolidated financial statements for the year ended 31st March, 2017 and the financial statements may undergo change when the scheme of amalgamation being approved. Accordingly these financial statements may not be suitable for another purpose. Our report is intended solely for the company and its holding company and should not be distributed or used by parties other than for the preparation of consolidated financial statement of holding company. We hereby provide consent that a copy may be provided to auditors of holding company.

For V.P. Mehta & Co
Chartered Accountants
Firm Reg. No. 106326W

Vipul P Mehta
Partner
Membership No.:- 35722

Place: Mumbai
Dated: 08th April, 2017

Balance Sheet as at 31st March, 2017

	Notes	As at 31 March, 2017 (Rs.)	As at 31 March, 2016 (Rs.)	As at 1 April, 2015 (Rs.)
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment		-	-	-
(b) Other Intangible assets		-	-	-
(c) Financial Assets		-	-	-
(i) Investment	2	-	2 54 632	-
(d) Other Non Current Assets		-	-	-
Total Non-Current assets		<u>-</u>	<u>2 54 632</u>	<u>-</u>
Current assets				
(a) Inventories	3	1 87 90 469	2 32 88 256	2 32 88 256
(b) Financial Assets		-	-	-
(i) Trade Receivables		-	-	-
(ii) Cash and cash equivalents	4	3 51 319	6 281	1 715
(iii) Others		-	-	-
(c) Current Tax Assets Net		-	-	-
(d) Other Current Assets		-	-	-
Total Current assets		<u>1 91 41 788</u>	<u>2 32 94 537</u>	<u>2 32 89 971</u>
Total Assets		<u>1 91 41 788</u>	<u>2 35 49 169</u>	<u>2 32 89 971</u>
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	5	1 00 000	1 00 000	1 00 000
(b) Other Equity	6	(14 66 262)	(57 731)	(42 622)
Total Equity		<u>(13 66 262)</u>	<u>42 269</u>	<u>57 378</u>
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities		-	-	-
(i) Borrowings		-	-	-
(ii) Term Loan		-	-	-
(b) Provisions		-	-	-
Total Non-Current Liabilities		<u>-</u>	<u>-</u>	<u>-</u>
Current Liabilities				
(a) Financial Liabilities		-	-	-
(i) Trade payables		-	-	-
(ii) Other financial liabilities		-	-	-
(b) Other Current Liabilities	7	2 05 08 050	2 35 06 900	2 32 32 593
(c) Provisions		-	-	-
(d) Current Tax Liabilities (Net)		2 05 08 050	2 35 06 900	2 32 32 593
Total Current Liabilities		<u>2 05 08 050</u>	<u>2 35 06 900</u>	<u>2 32 32 593</u>
Total Liabilities		<u>1 91 41 788</u>	<u>2 35 49 169</u>	<u>2 32 89 971</u>
Significant Accounting Policies	1			

As per our Report of even date

For V. P. Mehta & Co
Firm Regd No : 106326W
Chartered Accountants

Vipul P. Mehta
(Proprietor)
Membership No. : 35722
Place : Mumbai
Date : 08th April, 2017

For and on behalf of the Board

Ajay Nijhawan
(Director)
DIN-01047157
Place : Gurgaon
Date : 08th April, 2017

Gagan Aggarwal
(Director)
DIN- 07596592

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

Continuing Operations	Note	2016-17 (Rs.)	2015-16 (Rs.)
INCOME			
Sale of Land		31 12 500	-
Total income		<u>31 12 500</u>	<u>-</u>
EXPENSES			
Changes in Inventories	8	44 97 787	-
Other Expenses	9	23 244	15 109
Total Expenses		<u>45 21 031</u>	<u>15 109</u>
Loss before exceptional and extraordinary items and tax		(14 08 531)	(15 109)
Exceptional Items		-	-
Loss before extraordinary items and tax		(14 08 531)	(15 109)
Extraordinary Items		-	-
Loss before tax		(14 08 531)	(15 109)
Tax expense:			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
Loss for the year from continuing operations		(14 08 531)	(15 109)
Earnings per equity share of face value of Rs 10 each:			
Basic & Diluted	10	(140.85)	(1.51)

As per our Report of even date

For V. P. Mehta & Co
Firm Regd No : 106326W
Chartered Accountants

Vipul P. Mehta
(Proprietor)
Membership No. : 35722
Place : Mumbai
Date : 08th April, 2017

For and on behalf of the Board

Ajay Nijhawan
(Director)
DIN-01047157

Place : Gurgaon
Date : 08th April, 2017

Gagan Aggarwal
(Director)
DIN- 07596592

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

	2016-17 (Rs.)	2015-16 (Rs.)
A: CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/(Loss) before Tax as per Statement of Profit and Loss	(14 08 531)	(15 109)
Adjusted for:		
Loss/(Profit) on Sale of Assets	-	-
Cash Flow before Working Capital Changes	(14 08 531)	(15 109)
Adjusted for:		
Other Current Liabilities	(29 98 850)	2 74 307
Inventories	44 97 787	-
Cash Generated from Operations	90 406	2 59 198
Taxes Paid (Including Fringe Benefit Tax)	-	-
Net Cash Used in Operating Activities (A)	90 406	2 59 198
B: CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	-	-
Sale of Fixed Assets	-	-
Sale/(Purchase) of Investment	2 54 632	(2 54 632)
Bank Deposit with more than 12 months maturity	-	-
Net Cash Used in Investing Activities (B)	2 54 632	(2 54 632)
C: CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of Loan	-	-
Net cash from Financing Activities (C)	-	-
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	3 45 038	4 566
Opening Balance of Cash and Cash Equivalents	6 281	1 715
Closing Balance of Cash and Cash Equivalents	3 51 319	6 281
Notes to the cash flow statement:		
1. Components of cash and cash equivalents		
Cash on Hand	-	-
Balance with Bank in current accounts	3 51 319	6 281
Total	3 51 319	6 281
2. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting standard-3 Cash Flow Statement.		
3. The Figures in bracket represents Cash Outflow.		

As per our Report of even date

For V. P. Mehta & Co
Firm Regd No : 106326W
Chartered Accountants

Vipul P. Mehta
(Proprietor)
Membership No. : 35722
Place : Mumbai
Date : 08th April, 2017

For and on behalf of the Board

Ajay Nijhawan
(Director)
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Place : Gurgaon
Date : 08th April, 2017

Gagan Aggarwal
(Director)
DIN- 07596592

Notes to the Financial Statements

A. CORPORATE INFORMATION

Cluster Commercial Private Limited is a private limited company and having its registered office at 506, Chiranjiv Tower, 43, Nehru Place New Delhi - 110019. The Company is unlisted entity and intermediate wholly owned subsidiary of Model Economic Township Limited and ultimate subsidiary of Reliance Industries Limited and accordingly in view of Rule 2 of Companies (Accounts) Amendment Rules 2016 notified on 27th July, 2016, the provision related to preparation of Consolidated Financial Statements of the Company and its subsidiary are not applicable to the Company and hence not prepared.

B. ACCOUNTING POLICIES

B.1 BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on the historical cost basis.

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.

Upto the year ended March 31, 2016, the Company has prepared its financial statements in accordance with the requirement of Indian GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules 2006 and considered as "Previous GAAP".

These financial statements are the Company's first Ind AS standalone financial statements.

Company's financial statements are presented in Indian Rupees, which is its functional currency.

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Finance Cost

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

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

(b) Inventories

Items of inventories are measured at lower of cost and net realisable value.

Cost of Inventory consists of cost of land, interest and finance charges and other related expenses.

(c) Provisions

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

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

(d) Tax Expenses

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

- Current tax

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

Notes to the Financial Statements

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

(e) Revenue recognition

Revenue from sale 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.

The agreement for sale or long term lease of land, where substantial risk & rewards are conveyed to buyer/lessee, is considered as sale of land. Revenue from such sale of land is recognized on execution of sale/lease deeds, by which substantial risks and rewards are conveyed to Buyers/Lessee.

Interest income

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

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

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

a) Provisions

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

D. FIRST TIME ADOPTION OF IND AS

The Company has adopted Ind AS with effect from 1st April 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Retained Earnings as at 1st April 2015. The figures for the previous period have been reinstated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

a) Exemptions from retrospective application

(i) Business combination exemption

Not applicable.

(ii) Share-based payment transactions

Not applicable.

(iii) Fair value as deemed cost exemption:

Not applicable.

(iv) Cumulative translation differences

Not Applicable.

(v) Long Term Foreign Currency Monetary Items

Not applicable.

(vi) Investments in subsidiaries, joint ventures and associates

Not applicable.

(vii) Decommissioning liabilities included in the cost of property, plant and Equipment

Not applicable.

Notes on financial statements for the year ended 31st March, 2017

	As at 31 March, 2017 (Rs.)	As at 31 March, 2016 (Rs.)	As at 1 April, 2015 (Rs.)
2. NON CURRENT INVESTMENT			
Other Investment (Unquoted at cost, fully paid up)			
Investment in Equity Shares			
A) In Other Compnay			
1700 Equity shares (Previous year NIL equity shares) of Rs 10 each fully paid up in Aanant Commercials Private Limited	-	17 000	-
1500 Equity shares (Previous year NIL equity shares) of Rs 10 each fully paid up in Jalaja Commercial Private Limited	-	15 000	-
1700 Equity shares (Previous year NIL equity shares) of Rs 10 each fully paid up in Devashree Commercial Private Limited	-	17 000	-
1700 Equity shares (Previous year NIL equity shares) of Rs 10 each fully paid up in Tangerine Agro Private Limited	-	91 358	-
1500 Equity shares (Previous year NIL equity shares) of Rs 10 each fully paid up in Dignity Mercantile Private Limited	-	15 000	-
1700 Equity shares (Previous year NIL equity shares) of Rs 10 each fully paid up in Santol Commercials Private Limited	-	99 274	-
Total	<u>-</u>	<u>2 54 632</u>	<u>-</u>
3. INVENTORIES			
Land	1 87 90 469	2 32 88 256	2 32 88 256
	<u>1 87 90 469</u>	<u>2 32 88 256</u>	<u>2 32 88 256</u>
4. CASH & BANK BALANCES			
Balance with Scheduled Banks			
In Current accounts	3 51 319	6 281	1 715
	<u>3 51 319</u>	<u>6 281</u>	<u>1 715</u>

Notes on financial statements for the year ended 31st March, 2017

	As at 31st March, 2017 (Rs.)		As at 31st March, 2016 (Rs.)		As at 1 April, 2015 (Rs.)	
5. SHARE CAPITAL						
Authorised:						
50,000 Equity Shares of Rs. 10 each		<u>5 00 000</u>		<u>5 00 000</u>		<u>5 00 000</u>
Issued, Subscribed and Paid up:						
10,000 Equity Shares of Rs.10 each fully paid up		<u>1 00 000</u>		<u>1 00 000</u>		<u>1 00 000</u>
a. Reconciliation of numbers of shares outstanding at the beginning and at the end of the year						
	As at 31st March, 2017		As at 31st March, 2016		As at 1 April, 2015	
	Numbers	Rs	Numbers	Rs	Numbers	Rs
Shares outstanding at the beginning of the period	10 000	100 000	10 000	100 000	10 000	100 000
Add: Shares Issued during the period	-	-	-	-	-	-
Less: Shares bought back during the period	-	-	-	-	-	-
Shares outstanding at the end of the period	<u>10 000</u>	<u>1 00 000</u>	<u>10 000</u>	<u>1 00 000</u>	<u>10 000</u>	<u>1 00 000</u>
b. Details of Shareholding						
	As at 31st March, 2017		As at 31st March, 2016		As at 1 April, 2015	
Equity Shares of Rs 10 each fully paid	Number of Shares	% holding in the class	Number of Shares	% holding in the class	Number of Shares	% holding in the class
Biren Commercial Private Limited (5000 shares of Rs 10 each)	-	-	-	-	5 000	50%
Reliance Warehousing Private Limited (5000 shares of Rs 10 each)	-	-	-	-	5 000	50%
Girisha Commercials Private Limited (1700 shares of Rs. 10 each)	-	-	1 700	17%	-	-
Santol Commercial Private Limited (1700 shares of Rs. 10 each)	-	-	1 700	17%	-	-
Jalaja Commercial Private Limited (1700 shares of Rs. 10 each)	-	-	1 700	17%	-	-
Annant Commercial Private Limited (1500 shares of Rs. 10 each)	-	-	1 500	15%	-	-
Tangerine Agro Private Limited (1700 shares of Rs. 10 each)	-	-	1 700	17%	-	-
Dignity Mercantile Private Limited (1700 shares of Rs. 10 each)	-	-	1 700	17%	-	-
Model Economic Township Limited (10000 shares of Rs. 10 each)	10 000	100%	-	-	-	-
Total	<u>10 000</u>	<u>100%</u>	<u>10 000</u>	<u>100%</u>	<u>10 000</u>	<u>100%</u>

Notes on financial statements for the year ended 31st March, 2017

c. Terms/right 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, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

	As at 31 March, 2017 (Rs.)	As at 31 March, 2016 (Rs.)	As at 1 April, 2015 (Rs.)
6. OTHER EQUITY			
Profit and Loss Account			
Opening	(57 731)	(42 622)	(28 003)
(+) Net Profit/(Net Loss) for the Current Period	(14 08 531)	(15 109)	(14 619)
INDAS Adjustment	-	-	-
Total	<u>(14 66 262)</u>	<u>(57 731)</u>	<u>(42 622)</u>
7. OTHER CURRENT LIABILITIES			
Sundry Creditors	8 050	6 900	5 618
Advance Received from Customer	2 05 00 000	2 35 00 000	2 32 26 975
Total	<u>2 05 08 050</u>	<u>2 35 06 900</u>	<u>2 32 32 593</u>
		2016-17 (Rs.)	2015-16 (Rs.)
8. CHANGES IN INVENTORIES			
Projects under Development (Work-in-Progress at commencement)		2 32 88 256	2 32 88 256
Projects under Development (Work-in-Progress at close)		1 87 90 469	2 32 88 256
Total Change in Inventories		<u>44 97 787</u>	<u>-</u>
9. OTHER EXPENSES			
Auditor's Remuneration		8 050	6 900
Filing Fee		5 317	2 445
Printing & Stationery		-	570
Legal & Professional Charges		7 530	5 000
General Expenses		120	194
Loss on sale of Investment		2 227	-
		<u>23 244</u>	<u>15 109</u>
10. EARNING PER SHARE (EPS)			
Net Profit / (Loss) after tax as per Statement of Profit and Loss (Rs.)		(14 08 531)	(15 109)
Weighted Average number of equity shares used as denominator for calculating EPS		10 000	10 000
Basic and Diluted Earning per share (Rs.)		(140.85)	(1.51)
Face Value per equity share (Rs.)		10	10

Notes on financial statements for the year ended 31st March, 2017

As per Indian Accounting Standard 24- "Related Party Disclosures", the disclosures of transactions with the related parties as defined in the AS-18 are given below :

11) List of Related Parties and Relationships:

Sr. No	Name of the Related Party	Relationship
1	Reliance Industries Limited	Holding Company of Model Economic Township Limited (METL)
2	Model Economic Township Limited	Holding Company w.e.f 12 th Jan,2017
3	Devashree Commercial Private Limited	Fellow Subsidiary Company w.e.f 12 th Jan,2017
4	Girisha Commercial Private Limited	Fellow Subsidiary Company w.e.f 12 th Jan,2017
5	Dignity Mercantile Private Limited	Fellow Subsidiary Company w.e.f 12 th Jan,2017

ii) Transactions and closing balance during the year with the Related Parties:

(Amount in Rs.)

Sr. No.	Nature of Transaction	Holding Company	Holding Company of RVL	Subsidiary Company	Fellow Subsidiaries of Holding Company
(A) Transactions during the year					
1	Advance taken against land purchased	-	-	-	-
(B) Balance at the end of the year					
1	Advance taken against land purchased	2 05 00 000	-	-	-

Note: Figures in italics represent that of previous year.

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

Advance taken for land includes Rs NIL (Previous Year Nil) from Model Economic Township Limited.

Balance at the end of the year includes:

Advance for land purchase taken from Model Economic Township Limited Rs. 2 05 00 000 (Previous Year Rs. 2 35 00 000),

Note:

The above transactions disclosed are entered during the period of existence of related party relationship. The balance and transactions are not disclosed after cessation of related party relationship.

12) Capital Management

The Company adheres to robust capital Management framework. It proactively reviews its debt structure and tries to optimize the impact of finance cost by adopting suitable debt mix.

Notes on financial statements for the year ended 31st March, 2017

13) Financial Instruments

The financial assets are valued at fair value using discounted cash flow analysis.

Fair value measurement hierarchy

Particulars	As at 31 st March, 2017		As at 31 st March, 2016		As at 1 st April, 2015	
	Carrying amount	Level of inputs used	Carrying amount	Level of inputs used	Carrying amount	Level of inputs used
Financial Assets						
At Amortized Cost						
Cash and Cash Equivalent	3 51 319	-	6 281	-	1 715	-
At FVTPL	-	-	-	-	-	-
At FVTOCI	-	-	-	-	-	-
Financials Liability						
At Amortised Cost						
Financial Liabilities	-	-	-	-	-	-
At FVTPL	-	-	-	-	-	-
At FVTOCI	-	-	-	-	-	-

Credit Risk

Credit risk is the risk that a customer or counter party 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 and outstanding receivables from customers.

The company has prudent and conservative process for managing its credit risk arising in the course of its business activities.

Liquidity Risk

Liquidity risk arises from the company's inability to meet its cash flow commitments on time. Since the company is subsidiary of Reliance Industries Limited, the cash flow deficits are funded by its holding company.

14) The Company's activities during the year revolved around development of land. Considering the nature of Company's business and operations, there is only one operating segment as per Indian Accounting Standard 108 – "Operating Segments".

15) Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016 are as under:

	SBN	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in in hand as on 30.12.2016	-	-	-

16) During the year, the holding company of the Company made investments in equity shares of four private companies, namely Girisha Commercials Private Limited, Devashree Commercial Private Limited and Dignity Mercantile Private Limited, and the Company as a result these companies became wholly owned subsidiaries of the Holding Company on 12th January, 2017. Subsequently, the Company along with these subsidiary companies filed a Scheme of Amalgamation (the Scheme) with its holding company to Central Government under section 233 of the Companies Act 2013. The approval of the Central Government is awaited.

Notes on financial statements for the year ended 31st March, 2017

17) Taxation

Particulars	Year ended	
	31 st March, 2017	31 st March, 2016
Income tax recognized in Statement of profit and loss		
Current tax	-	-
Deferred tax	-	-

18) FIRST TIME IND AS ADOPTION RECONCILIATIONS

18.1 Effect of Ind AS adoption on the stand alone balance sheet as at 31st March, 2016 and 1st April, 2015

Amount in ₹

	As at 31st March 2016			As at 1st April 2015		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Non-current Assets						
Property , Plant and Equipments	-	-	-	-	-	-
Other Intangible Assets	-	-	-	-	-	-
Investments	2 54 632	-	2 54 632	-	-	-
Other non-current assets	-	-	-	-	-	-
Total non-current assets	2 54 632	-	2 54 632	-	-	-
Inventories	2 32 88 256	-	2 32 88 256	2 32 88 256	-	2 32 88 256
Trade Receivables	-	-	-	-	-	-
Cash and cash equivalents	6 281	-	6 281	1 715	-	1 715
Others						
Current Tax Assets (Net)						
Other current assets						
Total current assets	2 32 94 537	-	2 32 94 537	2 32 89 971	-	2 32 89 971
Total Assets	2 35 49 169	-	2 35 49 169	2 32 89 971	-	2 32 89 971
Equity share capital	1 00 000	-	1 00 000	1 00 000	-	1 00 000
Other Equity	(57 731)	-	(57 731)	(42 622)	-	(42 622)
Total equity	42 269	-	42 269	57 378	-	57 378
Long term borrowings	-	-	-	-	-	-
Deferred Tax Provision	-	-	-	-	-	-
Total non-current liabilities	-	-	-	-	-	-
Trade and other payables	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
Other Current Liabilities	2 35 06 900	-	2 35 06 900	2 32 32 593	-	2 32 32 593
Short Term Provisions	-	-	-	-	-	-
Total current liabilities	2 35 06 900	-	2 35 06 900	2 32 32 593	-	2 32 32 593
Total Equity and Liabilities	2 35 49 169	-	2 35 49 169	2 32 89 971	-	2 32 89 971

Notes on financial statements for the year ended 31st March, 2017

18.2. Effect of Ind AS adoption on Statement of profit and loss for the year ended 31st March, 2016

Amount in ₹

	Year ended 31st March, 2016		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
INCOME			
Revenue from operations	-	-	-
Other Income	-	-	-
Total Income	-	-	-
Change in inventories	-	-	-
Employee benefit expenses	-	-	-
Finance cost	-	-	-
Depreciation and Amortization expenses	-	-	-
Other Expenses	15 109	-	15 109
Total Expenditure	15 109	-	15 109
Profit/(loss) before tax	(15 109)	-	(15 109)
Current tax	-	-	-
Deferred tax	-	-	-
Previous year tax	-	-	-
Profit/(loss) for the year	(15 109)	-	(15 109)

18.3 Reconciliation of Profit and Other Equity between Ind AS and previous GAAP

S.N.	Nature of Adjustment	Profit for the Year ended		Other Equity	
		As at 31 st March, 2016	As at 31 st March, 2016	As at 1 st April, 2015	As at 1 st April, 2015
	Net profit/(loss) /Other Equity as per previous Indian GAAP	(15 109)	(57 731)	(42 622)	(42 622)
	Adjustment for Merger Expenditure	-	-	-	-
	Net profit/(loss) /Other Equity as per previous Indian GAAP after adjustment of merger expenses	(15 109)	(57 731)	(42 622)	(42 622)
	Adjustments for IND AS	-	-	-	-
	Net profit/(loss) before OCI/Other equity as per Ind As	(15 109)	(57 731)	(42 622)	(42 622)

19) The financial statements were approved for issue by Board of directors on 8th April, 2017.

As per our Report of even date

For V. P. Mehta & Co
Firm Regd No : 106326W
Chartered Accountants

Vipul P. Mehta
(Proprietor)
Membership No. : 35722
Place : Mumbai
Date : 08th April, 2017

For and on behalf of the Board

Ajay Nijhawan
(Director)
DIN-01047157
Place : Gurgaon
Date : 08th April, 2017

Gagan Aggarwal
(Director)
DIN- 07596592