RELIANCE RETAIL FINANCE LIMITED

FINANCIAL STATEMENTS

2017-18

Independent Auditor's Report

TO THE BOARD OF DIRECTORS OF RELIANCE RETAIL FINANCE LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind As financial statements of **Reliance Retail Finance Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as" Ind As Financial Statements").

Management's Responsibility for the Ind AS 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 Ind As financial statements that give a true and fair view of the financial position, 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 read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind As financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 of the Ind As financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind As financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind As financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 Ind As financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the 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 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 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, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by 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 and documents as required by law have been kept by the Company so far as it appears from our examination of those books and documents.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and documents.

d) In our opinion, the aforesaid Ind As financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.

e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

Restriction on Use

This report is provided to you solely for use in the preparation and submission of Ind AS Consolidated Financial Statements by Reliance Industries Limited, the ultimate Holding Company, for the year ended March 31, 2018. It should not be distributed to any other person other than the authorised management personnel and the auditors of Reliance Industries Limited and/or used for any other purposes.

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

Jignesh Mehta
Partner
Membership No.: 102749

Place: Mumbai
Date: April 18, 2018

Annexure "A" To the Independent Auditor's Report On the Ind AS Financial Statements Of Reliance Retail Finance Limited

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of

Reliance Retail Finance Limited ("the Company") as of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

Jignesh Mehta
Partner
Membership No.: 102749

Place: Mumbai
Date: April 18, 2018

Balance Sheet as at 31st March, 2018

			Amount in ₹
	Notes	**As at 31st March, 2018**	As at 31st March, 2017
ASSETS			
Non-current assets			
Financial Assets			
Investments	1	**100 99 99 942**	101 00 00 000
Total Non-Current assets		**100 99 99 942**	101 00 00 000
Current assets			
Financial Assets			
Investments	2	**-**	95 55 474
Cash and Cash Equivalents	3	**1 07 72 898**	1 52 025
Other Current Assets	4	**3 32 143**	-
Total Current assets		**1 11 05 041**	97 07 499
Total Assets		**102 11 04 983**	101 97 07 499
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	5	**2 02 00 000**	2 02 00 000
Other Equity	6	**99 94 79 646**	99 91 29 642
Total Equity		**101 96 79 646**	101 93 29 642
Liabilities			
Non-current liabilities			
Deferred tax Liabilities	7	**-**	2 58 357
		-	2 58 357
Current liabilities			
Financial Liabilities			
Trade payables	8	**13 14 274**	1 15 100
Other Current liabilities	9	**1 11 063**	4 400
Total current liabilities		**14 25 337**	1 19 500
Total Liabilities		**14 25 337**	3 77 857
Total Equity and Liabilities		**102 11 04 983**	101 97 07 499
Significant Accounting Policies			
See accompanying Notes to Financial Statements	1 to 18		

As per our Report of even date

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

Jignesh Mehta
Partner
Membership No.: 102749

Mumbai
Dated : April 18, 2018

For and on behalf of the Board

Rohit C. Shah
Director

M. N. Bajpai
Director

B. Chandrasekaran
Director

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

	Notes	2017-18	Amount in ₹ 2016-17
INCOME			
Revenue from Operations	10	**15 67 662**	6 57 958
Total Income		**15 67 662**	6 57 958
EXPENDITURE			
Other Expenses	11	**12 01 125**	1 63 247
Total Expenses		**12 01 125**	1 63 247
Profit / (Loss) Before Tax		**3 66 537**	4 94 711
Tax Expenses			
Current Tax	12	**2 74 890**	-
Deferred Tax	12	**(2 58 357)**	2 58 357
Profit / (Loss) for the Year		**3 50 004**	2 36 354
Other comprehensive income		**-**	**-**
Total comprehensive income for the year		**3 50 004**	2 36 354
Earnings per equity share of face value of ₹ 10 each			
Basic (in ₹)	13	0.17	0.12
Diluted (in ₹)	13	0.17	0.12
Significant Accounting Policies			
See accompanying Notes to Financial Statements	1 to 18		

As per our Report of even date

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

Jignesh Mehta
Partner
Membership No.: 102749

Mumbai
Dated : April 18, 2018

For and on behalf of the Board

Rohit C. Shah
Director

M. N. Bajpai
Director

B. Chandrasekaran
Director

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

Amount in ₹

	A. Equity Share Capital	B. Other Equity Reserves and Surplus Statutory Reserve Fund *	Retained Earnings	Total
Year ended 31st March, 2017				
Balance at beginning of reporting period	2 02 00 000	20 42 41 992	79 46 51 296	99 88 93 288
Total Comprehensive Income for the year	-	-	2 36 354	2 36 354
Balance at the end of the reporting period	2 02 00 000	20 42 41 992	79 48 87 650	99 91 29 642
Year ended 31st March, 2018				
Balance at beginning of reporting period	**2 02 00 000**	**20 42 41 992**	**79 48 87 650**	**99 91 29 642**
Total Comprehensive Income for the year	**-**	**-**	**3 50 004**	**3 50 004**
Appropriation : Transfer to Statutory Reserve Fund	**-**	**4 18 216**	**(4 18 216)**	**-**
Balance at the end of the reporting period	**2 02 00 000**	**20 46 60 208**	**79 48 19 438**	**99 94 79 646**

* Created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934

As per our Report of even date

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

Jignesh Mehta
Partner
Membership No.: 102749

Mumbai
Dated : April 18, 2018

For and on behalf of the Board

Rohit C. Shah
Director

M. N. Bajpai
Director

B. Chandrasekaran
Director

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

			2017-18		Amount in ₹ 2016-17
A	**Cash Flow from Operating Activities**				
	Net Profit before Tax as per Statement of Profit and Loss		**3 66 537**		4 94 711
	Adjusted for :				
	Gain on Investments	**(6 44 307)**		(6 57 958)	
	Dividend Income	**(9 23 355)**		-	
			(15 67 662)		(6 57 958)
	Operating Profit/(Loss) before Working Capital Changes		**(12 01 125)**		(1 63 247)
	Adjusted for :				
	Trade and Other Receivables	**(1 97 033)**		-	
	Trade and Other Payables	**13 05 837**		23 069	
			11 08 804		23 069
	Cash Used in Operations		**(92 321)**		(1 40 178)
	Taxes paid		**(4 10 000)**		-
	Net Cash flow Used in Operating Activities		**(5 02 321)**		(1 40 178)
B	**Cash Flow from Investing Activities**				
	Payment for financial assets		**(203 18 73 296)**		-
	Proceeds from sale of financial assets		**204 20 73 135**		2 50 000
	Dividend Income		**9 23 355**		-
	Net Cash flow from Investing Activities		**1 11 23 194**		2 50 000
C	**Cash Flow from Financing Activities**				
	Net Cash flow from Financing Activities		**-**		-
	Net Increase in Cash and Cash Equivalents		**1 06 20 873**		1 09 822
	Opening Balance of Cash and Cash Equivalents		**1 52 025**		42 203
	Closing Balance of Cash and Cash Equivalents (Refer Note 3)		**1 07 72 898**		1 52 025

As per our Report of even date

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

Jignesh Mehta
Partner
Membership No.: 102749

Mumbai
Dated : April 18, 2018

For and on behalf of the Board

Rohit C. Shah
Director

M. N. Bajpai
Director

B. Chandrasekaran
Director

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

A. CORPORATE INFORMATION

Reliance Retail Finance Limited [‘the company’] is a limited company incorporated in India and also an NBFC. The registered office of the Company is located at 9th Floor, Maker Chambers IV, 222 Nariman Point, Mumbai 400021.The Company is mainly engaged in the business of Investments in Shares and Securities in India.

B. SIGNIFICANT ACCOUNTING POLICIES

B.1 Basis of Preparation and Presentation

The financial statements have been prepared on the historical cost basis except for certain financial assets measured at fair value.

The Company being NBFC, Ind-AS is applicable with effect from April 1, 2018 vide MCA Notification No. 365 dated March 30, 2016. Since Reliance Industries Limited (the Ultimate Holding Company) is required to prepare Consolidated Financial Statements in compliance with Ind-AS notified by MCA, these financial statements and all the notes appearing hereto are prepared accordingly only for the said purpose.

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

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Finance Cost

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

(b) Inventories

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

Cost of Inventories are determined on weighted average basis.

(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 profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income and equity.

Current Tax

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

Deferred Tax

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

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

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

(e) Foreign currencies transactions and translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

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

(f) Revenue recognition

Revenue from sale of goods 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.

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed. Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Interest income

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

Dividends

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

(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 added 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 FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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 measured at FVTPL.

C. Investment in Fellow Subsidiaries

The Company has accounted for its investments in fellow subsidiaries at cost less impairment loss (if any).

D. 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 Statement of 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 the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

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. Since the cash outflows can take place many

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

years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

(b) Impairment of financial assets:

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

D. STANDARDS ISSUED BUT NOT EFFECTIVE

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

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

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

b) Amendment to Existing issued Ind AS

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

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

ii. Ind AS 40 - Investment Property

iii. Ind AS 12 - Income Taxes

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

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

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

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

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

(Amount ₹)

1. INVESTMENTS - NON-CURRENT	As at 31st March, 2018 Units	As at 31st March, 2018 Amount	As at 31st March, 2017 Units	As at 31st March, 2017 Amount
Investments measured at Cost				
In Preference Shares of Fellow Subsidiary Companies				
Unquoted, fully paid up				
6% Non-cumulative Optionally Convertible Preference Shares of Reliance Corporate IT Park Limited of ₹ 10 each	**1,50,74,626**	**100 99 99 942**	-	-
In Debentures of Fellow Subsidiary Companies				
Unquoted, fully paid up				
Zero Coupon Unsecured Optionally Convertible of Reliance Commercial Land & Infrastructure Limited of ₹ 10 each	**-**	**-**	10,10,00,000	101 00 00 000
Total of Investments measured at Cost		**100 99 99 942**		101 00 00 000
Total Investments - Non-Current		**100 99 99 942**		101 00 00 000
Aggregate amount of quoted investments		-		-
Market Value of quoted investments		-		-
Aggregate amount of unquoted investments		**100 99 99 942**		101 00 00 000

(Amount ₹)

2. INVESTMENTS - CURRENT	As at 31st March, 2018 Units	As at 31st March, 2018 Amount	As at 31st March, 2017 Units	As at 31st March, 2017 Amount
Investments measured at Fair Value through Profit & Loss				
In Mutual Fund - Unquoted				
ICICI Prudential Liquid Plan - Growth of ₹ 100 each	**-**	**-**	39,789	95 55 474
Total of Investments measured at Fair Value through Profit & Loss		**-**		95 55 474
Total Investments - Current		**-**		95 55 474
Aggregate amount of quoted investments		-		-
Market Value of quoted investments		-		-
Aggregate amount of unquoted investments		**-**		95 55 474

(Amount ₹)

3. CASH AND CASH EQUIVALENTS	As at 31st March, 2018	As at 31st March, 2017
Bank Balances:		
In Current Accounts	**1 07 72 898**	1 52 025
Cash and cash equivalents as per Balance Sheet	**1 07 72 898**	1 52 025
Cash and cash equivalents as per statement of Cash Flows	**1 07 72 898**	152,025

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

(Amount ₹)

4. OTHER CURRENT ASSETS (Unsecured and Considered Good)	**As at 31st March, 2018**	As at 31st March, 2017
Advance Income Tax (net of provisions)	**1 35 110**	-
Recoverable from Statutory Authorities	**1 97 033**	-
Total	**3 32 143**	**-**
Advance Income Tax (net of provisions)		
At start of year	**-**	-
Charge for the year	**(2 74 890)**	-
Tax paid during the year	**4 10 000**	-
At end of year	**1 35 110**	**-**

(Amount ₹)

5. SHARE CAPITAL	**As at 31st March, 2018**	As at 31st March, 2017
Authorised:		
45,00,000 Equity Shares of ₹10/- each (45,00,000)	**4 50 00 000**	4 50 00 000
	4 50 00 000	4 50 00 000
Issued, Subscribed and Paid up:		
20,20,000 Equity Shares of ₹10/- each fully paid up (20,20,000)	**2 02 00 000**	2 02 00 000
Total	**2 02 00 000**	2 02 00 000

5.1 The details of shareholders holding more than 5% shares :

Name of the Shareholders	**As at 31st March, 2018**		As at 31st March, 2017	
	Nos. of shares	**% held**	Nos. of shares	% held
Holding Company :				
Reliance Industrial Investments and Holdings Limited	**20,20,000**	**100.00**	20,20,000	100.00

All the above 20,20,000 (Previous Year 20,20,000) equity shares of ₹10 each fully paid-up are held by Reliance Industrial Investments and Holdings Limited, the holding company along with its nominees.

5.2 The reconciliation of the number of shares outstanding is set out below

Particulars	**As at 31st March, 2018 No. of Shares**	As at 31st March, 2017 No. of Shares
Shares at the beginning of the year	**20,20,000**	20,20,000
Add : Shares issued during the year	-	-
Shares at the end of the year	**20,20,000**	20,20,000

5.3 Rights, Preferences and Restrictions attached to shares

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

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

(Amount ₹)

6. OTHER EQUITY		As at 31st March, 2018		As at 31st March, 2017
Reserves and Surplus				
Statutory Reserve Fund *				
As per last Balance Sheet	**20 42 41 992**		20 42 41 992	
Add: Transferred from Retained Earnings	**4 18 216**		-	
		20 46 60 208		20 42 41 992
Retained Earnings				
As per last Balance Sheet	**79 48 87 650**		79 46 51 296	
Add : Profit for the year	**3 50 004**		2 36 354	
Less : Appropriation to Statutory Reserve Fund	**(4 18 216)**		-	
		79 48 19 438		79 48 87 650
Total		**99 94 79 646**		99 91 29 642

* Created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934

(Amount ₹)

7. DEFERRED TAX LIABILITY	As at 31st March, 2018	As at 31st March, 2017
The movement on the deferred tax account is as follows:		
At the start of the year	**2 58 357**	-
Charge/(credit) to Statement of Profit and Loss (Refer Note 12)	**(2 58 357)**	2 58 357
At end of year	**-**	2 58 357

Component of Deferred Tax Liabilities :

	As at 31st March, 2017	Charge/(Credit) to Statement of Profit and Loss	Others	As at 31st March, 2018
Deferred Tax Liabilities in relation to:				
Financial Assets	2 58 357	(2 58 357)	-	-
Total	2 58 357	(2 58 357)	-	-

(Amount ₹)

8. TRADE PAYABLES	As at 31st March, 2018	As at 31st March, 2017
Micro and Small Enterprises	**-**	-
Other Payables	**13 14 274**	1 15 100
Total	**13 14 274**	1 15 100

8.1 There are no overdue amounts to Micro and Small Enterprises as at March 31, 2018 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

Notes to the Financial Statements (Continued)

(Amount ₹)

9.	**OTHER CURRENT LIABILITIES**	**As at 31st March, 2018**	As at 31st March, 2017
	Other Payables *	**1 11 063**	4 400
	Total	**1 11 063**	4 400

* Includes Statutory Dues.

(Amount ₹)

10.	**REVENUE FROM OPERATIONS**	**2017-18**	2016-17
	Dividend Income	**9 23 355**	-
	Gain on Investments	**6 44 307**	6 57 958
	Total	**15 67 662**	6 57 958

Above income generated from Financial Assets measured at Fair Value through Profit and Loss.

(Amount ₹)

11.	**OTHER EXPENSES**	**2017-18**	2016-17
	Establishment Expenses		
	Rates and Taxes	**6 790**	7 305
	Professional Fees	**10 60 625**	13 055
	Payment to Auditors	**82 000**	94 300
	General Expenses	**51 710**	48 587
	Total	**12 01 125**	1 63 247
11.1	**Payment to Auditors as**		
	Statutory Audit fees	**65 000**	74 750
	Certification and Consultation Fees	**17 000**	19 550
		82 000*	94 300

* Exclusive of taxes

(Amount ₹)

12.	**TAXATION**	**As at 31st March, 2018**	As at 31st March, 2017
	Income tax recognised in Statement of Profit and Loss		
	Current tax	**2 74 890**	-
	Deferred tax	**(2 58 357)**	2 58 357
	Total Income Tax expenses	**16 533**	2 58 357

Notes to the Financial Statements (Continued)

(Amount ₹)

	As at 31st March, 2018	As at 31st March, 2017
The income tax expenses for the year can be reconciled to the accounting profit as follows:		
Profit Before Tax	**3 66 537**	4 94 711
Applicable Tax Rate	**30.90%**	30.90%
Computed Tax Expense	**1 13 260**	1 52 866
Tax effect of :		
Exempted Income	**(2 85 317)**	-
Carried Forward Losses Utilised	**(4 44 313)**	-
Change in valuation method	**4 44 313**	**14 155**
Others	**4 46 947**	**(1 67 021)**
Current Tax Provision (A)	**2 74 890**	-
Incremental Deferred Tax Liability on account of Financial Assets	**(2 58 357)**	2 58 357
Deferred Tax Provision (B)	**(2 58 357)**	2 58 357
Tax Expenses recognised in Statement of Profit and Loss (A+B)	**16 533**	2 58 357
Effective Tax Rate	**4.51%**	52.22%

13.	**EARNINGS PER SHARE (EPS)**	**2017-18**	2016-17
	Face Value per Equity Share (₹)	**10**	10
	Basic Earnings per share (₹)	**0.17**	0.12
	Net Profit/ (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	**3 50 004**	2 36 354
	Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	**20 20 000**	20 20 000
	Diluted Earnings per share (₹)	**0.17**	0.12
	Net Profit/ (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	**3 50 004**	2 36 354
	Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	**20 20 000**	20 20 000
	Reconciliation of weighted average number of shares outstanding		
	Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	**20 20 000**	20 20 000
	Total Weighted Average Potential Equity Shares	**-**	-
	Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	**20 20 000**	20 20 000

Notes to the Financial Statements (Continued)

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

(Amount ₹)

	As at 31st March, 2018	As at 31st March, 2017
Deferred Tax Assets		
Carried forward Losses	**19 33 32 234**	22 96 70 886

15. RELATED PARTY DISCLOSURES

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

i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industries Limited	Ultimate Holding Company
2	Reliance Industrial Investments and Holdings Limited	Holding Company
3	Reliance Commercial Land & Infrastructure Limited#	Fellow Subsidiary Companies
4	Reliance Corporate IT Park Limited	

Amalgamated with Reliance Industrial Investments and Holdings Limited with effect from 1st October, 2016 ("appointed date") pursuant to the scheme of Amalgamation Approved by NCLT vide its order dated 2nd November, 2017.

ii) Transactions during the year with related parties:

(Amount ₹)

Sr. No.	Nature of Transaction (Excluding Reimbursement)	Ultimate Holding Company	Holding Company	Fellow Subsidiary Companies	Total
1	Purchase / Subscription of Investments	**-**	**-**	**100 99 99 942**	**100 99 99 942**
		-	-	-	-
2	Redemption of Investments	**-**	**-**	**101 00 00 000**	**101 00 00 000**
		-	-	-	-
3	Professional Fees	**8 00 625**	**-**	**2 50 000**	**10 50 625**
		-	-	-	-
Balance as at 31st March, 2018					
4	Investments	**-**	**-**	**100 99 99 942**	**100 99 99 942**
		-	-	*101 00 00 000*	*101 00 00 000*
5	Trade Payables	**8 64 674**	**-**	**2 70 000**	**11 34 674**
		-	**-**	**-**	-

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

Notes to the Financial Statements (Continued)

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

(Amount ₹)

Sr. No.	Particulars	Relationship	2017-18	2016-17
1	**Purchase / Subscription of Investments**			
	Reliance Corporate IT Park Limited	Fellow Subsidiary	**100 99 99 942**	-
2	**Redemption of Investments**			
	Reliance Commercial Land & Infrastructure Limited	Fellow Subsidiary	**101 00 00 000**	-
3	**Professional Fees**			
	Reliance Corporate IT Park Limited	Fellow Subsidiary	**2 50 000**	-
	Reliance Industries Limited	Ultimate Holding Company	**8 00 625**	-

16. Income Tax assessment of the Company has been completed up to Assessment Year 2015-16. Company has made rectification applications to Income Tax Authorities to rectify certain errors in assessment orders which are appeared from the records. Subject to such rectifications, there are no demands for which company is contingently liable.

17. Financial Instruments

Valuation

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

a) The fair value of investment in Mutual Funds is measured at NAV.

b) The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

c) All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

Fair value measurement hierarchy:

(Amount ₹)

Particulars	**As at 31st March, 2018**			As at 31st March, 2017		
	Carrying amount	**Level of Input used in**		Carrying amount	Level of Input used in	
		Level 1	**Level 2**		Level 1	Level 2
Financial Assets						
At Amortised Cost						
Cash and Cash Equivalents	**1 07 72 898**	**-**	**-**	1 52 025	-	-
At FVTPL						
Investments	**-**	**-**	**-**	95 55 474	95 55 474	-
Financial Liabilities						
At Amortised Cost						
Other Financial Liabilities	**13 14 274**	**-**	**-**	1 15 100	-	-

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

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

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

Notes to the Financial Statements (Continued)

Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the company. It arises from its investment activities, derivative instruments and other financial assets.

Liquidity Risk

Liquidity risk is the risk that arises from the Company's inability to meet its cash flow commitments. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. Management monitors rolling forecasts of the company's cash flow position and ensures that the Company is able to meet its financial obligations at all times including contingencies.

18. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on April 18, 2018.

As per our Report of even date

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

Jignesh Mehta
Partner
Membership No.: 102749

Mumbai
Dated : April 18, 2018

For and on behalf of the Board

Rohit C. Shah
Director

M. N. Bajpai
Director

B. Chandrasekaran
Director