

Reliance Retail Limited

Form DPT-1

Circular or Circular in the Form of Advertisement Inviting Deposits

[Pursuant to section 73(2)(a) and section 76 and rule 4(1) and 4(2) of the Companies (Acceptance of Deposits) Rules, 2014]

Sl. No.	PARTICULARS	INFORMATION
1. GENERAL INFORMATION		
a.	Name, address, website and other contact details of the company:	Reliance Retail Limited, 3rd Floor, Court House, Lokmanya Tilak Marg, Dhobi Talao, Mumbai - 400 002. www.reliance-retail.com Ph: 022 67673800
b.	Date of incorporation of the Company:	29-06-1999
c.	Business carried on by the company and its subsidiaries with the details of branches or units, if any:	Reliance Retail Limited operates convenience stores, supermarkets, hypermarkets, wholesale cash & carry stores and speciality stores. The Company has over 3000 retail stores spread across all major cities and towns in India. Business carried on by the Subsidiaries of the Company: Reliance Clothing India Private Limited: Retailing of footwear products under 'Payless Shoes' brand Reliance-GrandOptical Private Limited: Presently no business carried-on. Reliance Petro Marketing Limited: Selling and distribution of petroleum and related products
d.	Brief particulars of the management of the company:	The Company is managed by the Whole-time Director and a team of professional managers, subject to the superintendence, control and direction of the Board of Directors.
e. Names, addresses, DIN and occupation of the directors:		
	Name	Address
	DIN	Occupation
	Shri Pankaj Pawar (Whole-time Director)	302, Archana Saurabh, Plot No. 20, Sector-7, Koparkhairne, Navi Mumbai-400709
	Shri Sanjay Jog	B-702, Rushi Towers, Lokhandwala Complex, Swami Samarth Nagar, Andheri (West), Mumbai-400053
	Shri Ashwin Khasgiwala	A-1 Mahavir Prasad CHS, Subhash Nagar Estate, 390 N.M. Joshi Marg, Chinchpokli, Mumbai - 400011
	Shri Pradipta K Mohapatra	1, Srish, 14 ABM Avenue, R.A. Puram, Chennai-600028
	Shri K Sudarshan	301, Plot No. 3, Green View CHS Ltd., Ghatla Road, CTS 1558, Near Green Field, Chembur (East), Mumbai-400071
	Ms. Geeta Fulwadaya	E 51, Jharokha II, Kalpataru Vatika, Akurli Road, Opp. ESIS Hospital, Kandivli (East), Mumbai-400101

f.	Management's perception of risk factors: Reliance Retail Limited is the subsidiary of Reliance Industries Limited. Reliance Retail Limited is engaged in organized retail business catering to consumers in India under various consumption baskets - Value Formats and others, Fashion and Lifestyle, Digital, Brands and Jewellery. The monies raised under the deposit schemes are essentially advances from its customers towards jewellery purchases and unlikely to pose any financial risk except price, market risk, competition, regulatory environment changes and other normal business risks generally associated with the business.
g.	Details of default, including the amount involved, duration of default and present status, in repayment of- i) Statutory dues: Nil ii) Debentures and interest thereon: Nil iii) Loan from any bank or financial institution and interest thereon: Nil

2. PARTICULARS OF THE DEPOSIT SCHEME

a)	Date of passing of board resolution	26th August, 2016
b)	Date of passing of resolution in the general meeting authorizing the invitation of such deposits	20th May, 2015
c)	Type of deposits i.e., whether secured or Unsecured	Unsecured
d)	Details of deposit amounts:	
i)	Amount which the company can raise by way of deposits as per the Act and the rules made thereunder	Rs. 1359.49 crore
ii)	Aggregate of deposits actually held on the last day of the immediately preceding financial year	Rs. 16.53 crore
iii)	Aggregate of deposits actually held on the date of issue of the Circular or advertisement	Rs. 29.10 crore
iv)	Amount of deposits proposed to be raised	Upto Rs. 200 crore
v)	Amount of deposits repayable within the next twelve months	Rs. 29.10 crore

e)	Terms of raising of deposits	
Period of Scheme	11 Months Scheme	6 Months Scheme
	11 months Jewellery purchase scheme wherein the customer has to pay 11 monthly installments and receive benefits under the scheme in the form of discount upto 85% of one month installment. To join the scheme, the customer has to fill-in the pre-printed Application Form and submit the documents stated therein Under the scheme, the customer to pay 11 fixed monthly installments of minimum of Rs. 1,000/- or above (in multiples of Rs. 500). First installment should be paid either by cash or Debit/ credit card or cheque at the Reliance Jewels showroom Subsequent installments to be paid through cash / credit card / debit card / post dated cheques / ECS In respect of cheques, only local cheques or cheques payable at par will be accepted and must be drawn in favour of 'Reliance Retail Limited' A single payment instrument towards multiple scheme accounts will not be accepted Date of payment of first installment by the customer shall be considered as the scheme/account opening date Scheme closure date shall be the end of 13 months from scheme opening date Customer has to pay monthly installments within due dates. For payments made by customer through cheque or ECS, the payment instrument must be realized before the due date. In case of 2 consecutive instances of instruments returned on account of insufficient funds etc, then the Company shall not deposit the balance instruments Customer under the scheme is eligible to avail any on-going common scheme/ product promotions/gifts etc depending upon festival season or other events, along with discount earned under the scheme Customer may nominate any person to whom his deposited amounts shall vest in the event of his death Discrepancies, if any, found by the customer in the payment receipts should be brought to the notice of the Company for rectification within 7 days from the date of issuance of receipt	6 months Jewellery purchase scheme wherein the customer has to pay 6 monthly installments and receive benefits under the scheme in the form of discount being 20% of one month installment. To join the scheme, the customer has to fill-in the pre-printed Application Form and submit the documents stated therein Under the scheme, the customer to pay 6 fixed monthly installments of minimum of Rs. 1,000/- or above (in multiples of Rs. 500). First installment should be paid either by cash or Debit/ credit card or cheque at the Reliance Jewels showroom Subsequent installments to be paid through cash / credit card / debit card / Post dated cheques / ECS In respect of cheques, only local cheques or cheques payable at par will be accepted and must be drawn in favour of 'Reliance Retail Limited' A single payment instrument towards multiple scheme accounts will not be accepted Date of payment of first installment by the customer shall be considered as the scheme/account opening date Scheme closure date shall be the end of 6 months from scheme opening date Customer has to pay monthly installments within due dates. For payments made by customer through cheque or ECS, the payment instrument must be realized before the due date. In case of 2 consecutive instances of instruments returned on account of insufficient funds etc, then the Company shall not deposit the balance instruments Customer under the scheme is eligible to avail any on-going common scheme/ product promotions/gifts etc depending upon festival season or other events, along with discount earned under the scheme Customer may nominate any person to whom his deposited amounts shall vest in the event of his death Discrepancies, if any, found by the customer in the payment receipts should be brought to the notice of the Company for rectification within 7 days from the date of issuance of receipt
General Conditions		
Rate of Interest	Since it is a jewellery purchase scheme, return is offered in the form of discount at the time of purchase of jewellery by customer as below: [Upon completion of the scheme, discount as % of one month installment:] a) After 11 months - 65% b) After 12 months - 75% c) After 13 months - 85% If the customer wishes to purchase jewellery before completing the scheme (but not before 6 months of payment of first installment), the customer will still get benefit but the eligible discount shall stand reduced as per applicable rules Delay in payment of monthly installment will result in proportionate reduced benefit.	Since it is a jewellery purchase scheme, return is offered in the form of discount at the time of purchase of jewellery by customer as below: [Upon completion of the scheme, discount as % of one month installment:] a) After 6 months - 20% Customer is not allowed to purchase jewellery before the end of 6 months from the payment of first installment. Delay in payment of monthly installment will result in proportionate reduced benefit.
Mode of Payment	Cash/ Credit Card/ Debit Card / Cheque/ DD / ECS, by way of monthly advances	Cash/ Credit Card/ Debit Card / Cheque/ DD / ECS, by way of monthly advances
Redemption / Repayment	Since it is a jewellery purchase scheme, redemption will be by way of purchase of jewellery and cash refund will generally not be available and in any event not before 6 months of payment of first installment Customer may be allowed to purchase jewellery or coin from any of the Reliance Jewels showroom for an amount equal to installments paid plus discount under the scheme (purchase eligibility amount). The final product invoice value should be equal to or in excess, of purchase eligibility amount. Partial redemption of scheme is not allowed Only the customer or his authorized nominee (as per the Application Form) shall be eligible to purchase jewellery under the scheme. For the purpose of redemption, customer is required to submit original installment receipts along with signed photo identity proof at the Showroom.	Since it is a jewellery purchase scheme, redemption will be by way of purchase of jewellery and cash refund will generally not be available and in any event not before 6 months of payment of first installment Customer may be allowed to purchase jewellery or coin from any of the Reliance Jewels showroom for an amount equal to installments paid plus discount under the scheme (purchase eligibility amount). The final product invoice value should be equal to or in excess, of purchase eligibility amount. Partial redemption of scheme is not allowed Only the customer or his authorized nominee (as per the Application Form) shall be eligible to purchase jewellery under the scheme. For the purpose of redemption, customer is required to submit original installment receipts along with signed photo identity proof at the Showroom.

f)	Proposed time schedule mentioning the date of opening of the Scheme and the time period for which the circular or advertisement is valid:	The Fixed Deposit Scheme (Jewellery Purchase Scheme) is in operation with effect from 26th June, 2015 and this circular/advertisement issued shall be valid till 30th September, 2017 or the date of the Company's Annual General Meeting to be held in 2017, whichever is earlier.
g)	Reasons or objects of raising the deposits:	Reliance Retail Limited has been operating jewellery purchase schemes as part of customer acquisition programmes for its jewellery retail business and at the same time enables its customers to plan and purchase jewellery in easy and convenient monthly installments for festivals, special occasions or other purposes. As per the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, advances collected from customers under these schemes are treated as deposits.
h)	Credit rating obtained: i) Name of Credit Rating Agency ii) Rating obtained iii) Meaning of the rating obtained iv) Date on which rating was obtained	Credit Analysis & Research Limited CAREAAA (Triple A) Highest degree of safety regarding timely servicing of financial obligations and carries lowest credit risk. CAREAAA is the highest credit rating assigned by CARE. February 2, 2016.

i)	Extent of deposit insurance	Vide proviso to Rule 5, sub-rule (1) of Companies (Acceptance of Deposits) Rules, 2014, this was deferred till 31st March, 2017 or till the availability of a deposit insurance product, whichever is earlier. N.A. (Presently no insurance product is made available)
a)	Name of the Insurance company:	
b)	Terms of the insurance coverage:	
c)	Duration of coverage:	
d)	Extent of coverage:	
e)	Procedure for claim in case of default etc:	
j)	Short particulars of the charge created or to be created for securing such deposits, if any	Unsecured and therefore not applicable
k)	Any financial or other material interest of the directors, promoters or key managerial personnel in such deposits and the effect of such interest in so far as it is different from the interests of other persons	Nil

3. DETAILS OF ANY OUTSTANDING DEPOSITS

a.	Amount Outstanding *represents advances collected from customers under jewellery purchase schemes which are treated as deposits.	Rs. 29.10 crore*
b.	Date of acceptance	Various dates
c.	Total amount accepted	Rs. 32.10 crore
d.	Rate of interest	No return as interest is offered since it is jewellery purchase scheme. But discount is offered on purchase of jewellery as per the terms and conditions of the scheme.
e.	Total number of depositors	17249
f.	Default, of any, in repayment of deposits and payment of interest thereon, if any, including number of depositors, amount and duration of default involved	Nil
g.	Any waiver by the depositors, of interest accrued on deposits	Nil

4. FINANCIAL POSITION OF THE COMPANY

a.	Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of circular or advertisement	Rs. Crore
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Financial year	Profit before tax	Profit after tax
2015-16	489.97	306.54
2014-15	399.30	272.48
2013-14	395.85	272.07

b.	Dividends declared by the company in respect of the said three financial years Interest coverage ratio for last three years (cash profit after tax plus interest paid)	NIL
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Financial year	Interest Coverage Ratio
2015-16	7.36
2014-15	5.68
2013-14	9.35

c.	A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of circular or advertisement	Rs. Crore
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Particulars	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4989.54	4989.54	4989.54
Reserves and surplus	505.36	198.82	263.79
Non-current liabilities			
Long-term borrowings	76.03	3.37	1741.33
Long-term liabilities	-	75.00	-
Long-term provisions	14.62	11.95	9.31
Current liabilities			
Short-term borrowings	1086.89	1670.16	176.41
Trade payables	2768.40	1199.42	1124.43
Other current liabilities	484.68	416.22	350.89
Short-term provisions	1.88	1.09	1.39
Total	9927.40	8565.57	8657.09
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2026.87	2053.83	1963.30
Intangible assets	2.62	0.36	0.49
Capital work-in-progress	483.90	423.16	387.71
Intangible assets under development	48.87	-	-
Non-current investments	484.81	470.10	847.79
Deferred tax assets (net)	445.58	563.33	679.64
Long-term loans and advances	491.83	448.62	660.48
Current assets			
Current investments	-	-	-
Inventories	5251.22	3881.73	3263.82
Trade receivables	217.93	210.81	156.86
Cash and bank balances	47.60	150.52	385.64
Short-term loans and advances	426.09	363.03	311.30
Other current assets	0.08	0.08	0.06
Total	9927.40	8565.57	8657.09

d.	Audited Cash Flow Statement for the three years immediately preceding the date of issue of circular or advertisement	Rs. Crore
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Particulars	2015-16	2014-15	2013-14
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit/loss before tax as per Statement of Profit and Loss	489.97	399.30	395.85
Adjusted for:			
Profit/loss on sale/discarding of assets (net)	25.13	35.01	34.69
Provision for doubtful debts	0.26	0.70	1.73
Depreciation and amortization expense	324.29	303.10	186.64
Effect of exchange rate change	1.00	0.74	1.96
Write off of investments on Amalgamation			
Profit/loss on sale of investments (net)	(12.11)	(46.83)	(169.87)
Interest income	(7.03)	(8.94)	(2.64)
Dividend income	-	(1.62)	(14.94)
Finance costs	117.71	150.00	69.79
Operating profit/(loss) before working capital changes	939.22	831.46	503.21
Adjusted for:			
Trade and other receivables	(42.22)	17.09	(86.86)
Inventories	(1369.49)	(479.73)	(1304.59)
Trade and other payables	1655.51	55.01	176.44
Cash generated from/(used in) operations	1183.02	423.83	(711.80)
Taxes (paid)/refund	(128.57)	(50.75)	(33.20)
Net cash from/(used in) operating activities	1054.45	373.08	(745.00)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets	(451.03)	(388.22)	(520.67)
Sale of fixed assets	1.20	3.10	2.06
Purchase of investments	(5125.71)	(4234.51)	(3520.09)
Sale of investments	5123.11	4343.33	3861.30
Loans (given to)/refunded by subsidiaries	(8.80)	(22.76)	282.07
Net Withdrawal of/(Investment in) fixed deposits	66.44	149.72	(220.25)
Interest income	7.72	8.57	2.17
Dividend income	-	1.62	11.16
Net cash used in investing activities	(387.07)	(139.15)	(102.25)
C. CASH FROM FINANCING ACTIVITIES			
Proceeds from long term borrowings	-	852.05	1892.74
Repayment of long term borrowings	(2.17)	(2589.08)	(1077.59)
Debentures application money received	-	75.00	-
Short term borrowings (net)	(583.27)	1493.75	176.41
Interest paid	(118.42)	(158.02)	(68.41)
Net cash from/(used in) financing activities	(703.86)	(326.30)	923.15
Net increase/(decrease) in cash and cash equivalents	(63.48)	(92.37)	75.90
Opening balance of cash and cash equivalents	79.99	165.39	89.49
Add: On Amalgamation	-	6.97	-
Closing balance of cash and cash equivalents	43.51	79.99	165.39

e.	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company	No change in the accounting policies
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5. DECLARATION BY THE DIRECTORS THAT-

- The Company has not defaulted in the repayment of deposits accepted either before or after the commencement of the Act or payment of interest thereon;
- The Board of Directors have satisfied themselves fully with respect to the affairs and prospects of the Company and that they are of the opinion that having regard to the estimated future financial position of the Company, the Company will be able to meet its liabilities as and when they become due and that the company will not become insolvent within a period of one year from the date of issue the circular or advertisement;
- The Company has complied with the provisions of the Act and the rules made thereunder;
- The compliance with the Act and the rules does not imply that repayment of deposits is guaranteed by the Central Government;
- The deposits accepted by the Company before the commencement of the Act have been repaid (or will be repaid with interest thereon forthwith as and when the customers approach the Company for purchase of jewellery against advances paid under the jewellery purchase schemes of the Company and until then, they shall be treated as unsecured and ranking pari passu with other unsecured liabilities);
- In case of any adverse change in credit rating, depositors will be given a chance to withdraw deposits without any penalty;
- The deposits shall be used only for the purposes indicated in the Circular or circular in the form of advertisement;
- The deposits accepted by the Company (other than the secured deposits, if any, aggregate amount of which to be indicated) are unsecured and rank pari passu with other unsecured liabilities of the Company.

This Circular is issued on the authority and in the name of the Board of Directors of the Company, the text thereof has been approved by the Board of Directors vide Resolution passed by Circulation on August 26, 2016 and a copy thereof signed by a majority of the Directors of the Company, has been filed with the Registrar of Companies.

Pankaj Pawar
Pradipta K Mohapatra

Sanjay Jog
K Sudarshan

Ashwin Khasgiwala
Geeta Fulwadaya