

RELIANCE CLOTHING INDIA PRIVATE LIMITED

Reliance Clothing India Private Limited

Independent Auditor's Report

To the Members of Reliance Clothing India Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance Clothing India Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the 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 fair presentation of the 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 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 the Company has in place an adequate internal financial controls 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows 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 as required by law have been kept by the Company so far as appears from our examination of those books.

- c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact on its financial position.
 - ii. The Company did not have any long term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses.
 - iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For Chaturvedi & Shah
Chartered Accountants
Registration No : 101720W

Place : Mumbai
Date : April 09, 2015

Jignesh Mehta
Partner
Membership No. : 102749

Balance Sheet as at 31st March, 2015

	Note	As at		₹ lakh
		31st March, 2015		As at 31st March, 2014
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	1	5.00	5.00	
Reserves and surplus	2	(2 15.40)	(1.80)	
			(2 10.40)	3.20
Non-current liabilities				
Long-term borrowings	3	22 76.81	-	
Long-term provisions	4	0.96	-	
			22 77.77	-
Current liabilities				
Trade payables	5	1 64.45	0.17	
Other current liabilities	5	1 49.87	0.02	
Short-term provisions	6	0.01	-	
			3 14.33	0.19
Total			23 81.70	3.39
ASSETS				
Non-current assets				
Fixed assets				
Tangible assets	7	4 14.32	-	
Intangible assets	7	1 27.45	-	
Capital work-in-progress	7	1 03.94	-	
		6 45.71	-	
Long-term loans and advances	8	1 15.44	-	
			7 61.15	-
Current assets				
Inventories	9	15 70.37	-	
Trade receivables	10	1.62	-	
Cash and bank balances	11	6.80	3.39	
Short-term loans and advances	12	41.76	-	
			16 20.55	3.39
Total			23 81.70	3.39
Significant accounting policies				
Notes on financial statements	1 to 32			

As per our Report of even date

For and on behalf of the Board

For **Chaturvedi & Shah**
Chartered Accountants
Firm Registration No.101720W

Pankaj Pawar
Director
DIN - 00085077

Ashwin Khasgiwala
Director
DIN -00006481

Ashish Patil
Director
DIN - 00076627

Jignesh Mehta
Partner
Membership No. 102749

Mumbai
Dated : 9th April, 2015

Statement of Profit and Loss for the year ended 31st March, 2015

	Note	2014-15	₹ lakh 2013-14
INCOME			
Revenue from operations	13	5 75.27	-
Total revenue		<u>5 75.27</u>	<u>-</u>
EXPENDITURE			
Purchases of stock-in-trade		18 89.91	-
Changes in inventories of stock-in-trade	14	(15 49.06)	-
Employee benefits expense	15	33.47	-
Finance costs	16	95.91	-
Depreciation and amortisation expense		25.20	-
Other expenses	17	2 93.44	1.22
Total expenses		<u>7 88.87</u>	<u>1.22</u>
Profit/(loss) before tax		<u>(2 13.60)</u>	<u>(1.22)</u>
Tax expenses		-	-
Profit/(loss) for the year		<u>(2 13.60)</u>	<u>(1.22)</u>
Earnings per equity share of face value of ₹ 10 each			
Basic and Diluted	21	(427.20)	(4.44)
Significant accounting policies			
Notes on financial statements	1 to 32		

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants
Firm Registration No.101720W

Jignesh Mehta
Partner
Membership No. 102749

Mumbai
Dated : 9th April, 2015

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Cash Flow Statement for the year 2014-15

	2014-15	₹ lakh 2013-14
A: CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) before tax as per Statement of Profit and Loss	(2 13.60)	(1.22)
Adjusted for:		
Finance costs	95.91	-
Depreciation and amortisation expense	25.20	-
Effect of exchange rate change	0.38	-
	<u>1 21.49</u>	<u>-</u>
Operating profit/ (loss) before working capital changes	(92.11)	(1.22)
Adjusted for:		
Trade and other receivables	(1 15.25)	-
Inventories	(15 70.37)	-
Trade and other payables	1 97.38	0.05
	<u>(14 88.24)</u>	<u>0.05</u>
Cash generated used in operations	(15 80.35)	(1.17)
Taxes (paid)/ refund	-	-
Net cash used in operating activities	(15 80.35)	(1.17)
B: CASH FLOW FROM INVESTING ACTIVITIES		
Sale of investments	-	0.50
Purchase of fixed assets	(6 26.38)	-
Net cash from/ (used) in investing activities	(6 26.38)	0.50
C: CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	4.00
Proceeds from long term borrowings	22 89.81	-
Repayment of long term borrowings	(13.00)	-
Interest paid	(66.67)	-
Net cash generated from financing activities	22 10.14	4.00
Net increase in cash and cash equivalents	3.41	3.33
Opening balance of cash and cash equivalents	3.39	0.06
Closing balance of cash and cash equivalents (Refer Note 11)	6.80	3.39

As per our Report of even date

For and on behalf of the Board

For **Chaturvedi & Shah**
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Mumbai
Dated : 9th April, 2015

Significant Accounting Policies

A Basis of preparation of financial statements

These financial statements have been prepared to comply with Accounting Principles Generally accepted in India (Indian GAAP), the Accounting Standards notified under the relevant provisions of the Companies Act 2013.

The Financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupees in lakh.

B Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

C Own fixed assets

Fixed assets are stated at cost net of recoverable taxes less accumulated depreciation and impairment loss, if any. All costs attributable to fixed assets are capitalised. Improvement cost on lease premises up to the date of commercial operation is capitalised as "leasehold improvements".

D Lease rental

Operating lease rentals are expensed with reference to lease terms and other considerations.

E Intangible assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation.

F Depreciation and amortisation

Depreciation on fixed assets is provided on straight line method and based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except, leasehold improvements are amortized over the lower of estimated useful life or lease period. Franchisee rights are amortised over the period of agreement for right to use.

G Impairment of assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

H Foreign currency transactions

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

I Inventories

Items of inventories are measured at lower of cost and net realisable value, after providing for obsolescence, if any. Cost of inventory comprises of all cost of purchase and other cost incurred in bringing them to the respective present location and condition. Costs are determined on weighted average basis.

J Revenue recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, adjusted for discounts (net) and value added tax. Dividend income is recognised when right

Significant Accounting Policies (Continued)

to receive is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

K Employee benefits

i) Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services. These benefits include performance incentive and compensated absences.

ii) Post employment benefits:

a) Defined Contribution Plans:

Defined Contribution Plans: A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

b) Defined Benefit Plans:

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees services. Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Statement of Profit and Loss.

L Provision for current and deferred tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a virtual or reasonable certainty that the asset will be realised in future.

M Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

Notes on financial statements for the year ended 31st March, 2015

	₹ lakh			
	As at 31st March, 2015	As at 31st March, 2014		
1. Share capital				
Authorised:				
50,000 Equity shares of ₹10 each (50,000)	5.00	5.00		
Total	<u>5.00</u>	<u>5.00</u>		
Issued, subscribed and paid-up:				
Fully paid-up				
50,000 Equity shares of ₹10 each (50,000)	5.00	5.00		
Total	<u>5.00</u>	<u>5.00</u>		
(i) All the above 50,000 (previous year 50,000) equity shares of ₹10 each fully paid-up are held by Reliance Retail Limited (formerly Reliance Fresh Limited) the holding company along with its nominees.				
(ii) The details of Shareholders holding more than 5% shares :				
Name of the Shareholders	As at		As at	
	31st March, 2015		31st March, 2014	
	No. of Shares	% held	No. of Shares	% held
Reliance Retail Limited (formerly Reliance Fresh Limited)	50,000	100	50,000	100
(iii) Reconciliation of opening and closing number of shares				
Particulars	As at		As at	
	31st March, 2015		31st March, 2014	
	No. of shares		No. of shares	
Equity shares outstanding at the beginning of the year	50,000		10,000	
Add: Equity shares issued during the year	-		40,000	
Equity shares outstanding at the end of the year	50,000		50,000	
2. Reserves and surplus	As at		As at	
	31st March, 2015		31st March, 2014	
Surplus				
Profit and Loss Account				
As per last Balance Sheet	(1.80)		(0.58)	
Add: Profit/ (loss) for the year	(2 13.60)		(1.22)	
Total	<u>(2 15.40)</u>		<u>(1.80)</u>	

Notes on financial statements for the year ended 31st March, 2015

	As at 31st March, 2015	₹ lakh As at 31st March, 2014
3. Long-term borrowings		
Unsecured		
Loans and advances from related parties ⁽ⁱ⁾	22 76.81	-
Total	<u>22 76.81</u>	<u>-</u>
⁽ⁱ⁾ Represents loan from the holding company for a period of 3 years.		
4. Long-term provisions		
Provision for employee benefits	0.96	-
Total	<u>0.96</u>	<u>-</u>
5. Trade payables and other current liabilities		
Trade payables		
Micro and Small Enterprises ⁽ⁱ⁾	-	-
Others	1 64.45	0.17
	<u>1 64.45</u>	0.17
Other current liabilities		
Interest accrued but not due on borrowings	29.24	-
Creditors for capital expenditure	88.10	-
Others ⁽ⁱⁱ⁾	32.53	0.02
	<u>1 49.87</u>	0.02
Total	<u>3 14.32</u>	<u>0.19</u>
⁽ⁱ⁾ Refer note 30		
⁽ⁱⁱ⁾ Represents statutory liabilities.		
6. Short-term provisions		
Provision for employee benefits	0.01	-
Total	<u>0.01</u>	<u>-</u>

Notes on financial statements for the year ended 31st March, 2015

7. Fixed assets

₹ lakh

Description	Gross block				Depreciation/amortisation				Net block	
	As at 1st April, 2014	Additions	Deductions/ Adjustments	As at 31st March, 2015	As at 1st April, 2014	For the period	Deductions/ Adjustments	Upto 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
(i) Tangible assets										
Own assets:										
Plant and machinery	-	54.82	-	54.82	-	3.93	-	3.93	50.89	-
Electrical installations	-	1 06.18	-	1 06.18	-	4.57	-	4.57	1 01.61	-
Equipment	-	1 45.36	-	1 45.36	-	4.14	-	4.14	1 41.22	-
Furniture and fixtures	-	54.51	-	54.51	-	2.45	-	2.45	52.06	-
Leasehold improvements	-	71.94	-	71.94	-	3.40	-	3.40	68.54	-
Total (i)	-	4 32.81	-	4 32.81	-	18.49	-	18.49	4 14.32	-
(ii) Intangible assets										
Franchisee rights	-	1 34.16	-	1 34.16	-	6.71	-	6.71	1 27.45	-
Total (ii)	-	1 34.16	-	1 34.16	-	6.71	-	6.71	1 27.45	-
Total (i+ii)	-	5 66.97	-	5 66.97	-	25.20	-	25.20	5 41.77	-
Previous year	-	-	-	-	-	-	-	-	-	-
Capital work-in-progress ⁽ⁱ⁾								1 03.94	-	

⁽ⁱ⁾ Includes ₹ 71.26 lakh (previous year ₹ Nil) on account of capital goods inventory

8. Long-term loans and advances (Unsecured and considered good)

	As at 31st March, 2015	As at 31st March, 2014
Capital advances	43.57	-
Security deposits	71.87	-
Total	1 15.44	-

9. Inventories (Valued at lower of cost and net realisable value)

	As at 31st March, 2015	As at 31st March, 2014
Stock-in-trade	15 49.06	-
Stores and spares	21.31	-
Total	15 70.37	-

Notes on financial statements for the year ended 31st March, 2015

	As at 31st March, 2015	₹ lakh As at 31st March, 2014
10. Trade receivables		
(Unsecured and considered good)		
Outstanding for a period exceeding six months	-	-
Others	1.62	-
Total	<u>1.62</u>	<u>-</u>
11. Cash and bank balances		
Cash and cash equivalent		
Cash on hand	3.47	-
Bank Balance :		
In current accounts	3.33	3.39
Total	<u>6.80</u>	<u>3.39</u>
12. Short-term loans and advances		
(Unsecured and considered good)		
Balance with service tax/ sales tax authorities, etc.	26.97	-
Others ⁽ⁱ⁾	14.79	-
Total	<u>41.76</u>	<u>-</u>
⁽ⁱ⁾ Includes advances to vendors and employees.		
13. Revenue from operations	2014-15	₹ lakh 2013-14
Sale of products	5 75.27	-
Total	<u>5 75.27</u>	<u>-</u>
14. Changes in inventories of stock-in-trade	2014-15	₹ lakh 2013-14
Inventories (at close)		
Stock-in-trade	15 49.06	-
Inventories (at commencement)		
Stock-in-trade	-	-
Total	<u>(15 49.06)</u>	<u>-</u>
15. Employee benefits expense	2014-15	₹ lakh 2013-14
Salaries and wages	28.56	-
Contribution to provident and other funds	1.58	-
Staff welfare expenses	3.33	-
Total	<u>33.47</u>	<u>-</u>

Notes on financial statements for the year ended 31st March, 2015

	2014-15	₹ lakh 2013-14
16. Finance costs		
Interest cost	95.91	-
Total	<u>95.91</u>	<u>-</u>

	2014-15	₹ lakh 2013-14
17. Other expenses		
Sales and distribution expenses		
Sales promotion and advertisement expenses	60.71	-
Store running expenses	49.43	-
Royalty	11.48	-
Warehousing and distribution expenses	17.39	-
	<u>1 39.01</u>	-
Establishment expenses		
Stores and packing materials	4.86	-
Building repairs and maintenance	6.85	-
Rent including lease rentals	76.02	-
Rates and taxes	1.36	0.50
Electricity expenses	18.22	-
Security expenses	26.71	-
Exchange differences (net)	8.77	-
General expenses	11.14	0.53
	<u>1 53.93</u>	1.03
Payments to auditor		
Audit fees	0.28	0.13
Tax audit fees	0.15	-
Certification and consultation fees	0.07	0.06
	<u>0.50</u>	0.19
Total	<u>2 93.44</u>	<u>1.22</u>

18 The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

19 The Company is mainly engaged in 'organised retail' in India. All the activities of the Company revolve around this main business. Accordingly, the Company has only one identifiable segment reportable under Accounting Standard 17 "Segment Reporting".

20 As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below :

Defined contribution plan ₹lakh
Contribution to defined contribution plan, recognised are charged off/
capitalised for the year are as under:

	2014-15	2013-14
Employer's contribution to provident fund	0.28	-
Employer's contribution to pension scheme	0.59	-

Notes on financial statements for the year ended 31st March, 2015

Defined benefit plan

The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for Compensated Absences is recognised in the same manner as gratuity.

The Company operates post retirement benefit plans as follows:

	Gratuity (unfunded)		Compensated Absences (unfunded)	
	2014-15	2013-14	2014-15	2013-14
₹ lakh				
I. Reconciliation of opening and closing balances of defined benefit obligation				
Defined benefit obligation at beginning of the year	-	-	-	-
Current service cost	0.60	-	0.37	-
Interest cost	-	-	-	-
Actuarial (gain)/ loss	-	-	-	-
Benefits paid	-	-	-	-
Defined benefit obligation at year end	0.60	-	0.37	-
₹ lakh				
II. Reconciliation of fair value of assets and obligations				
Fair value of plan assets	-	-	-	-
Present value of obligation	0.60	-	0.37	-
Amount recognised in Balance Sheet	0.60	-	0.37	-
₹ lakh				
III. Expenses recognised during the year				
Current service cost	0.60	-	0.37	-
Interest cost on benefit obligation	-	-	-	-
Actuarial (gain)/ loss recognised in the year	-	-	-	-
Net benefit expense/ (income)	0.60	-	0.37	-
₹ lakh				
IV. Actuarial assumptions				
Mortality Table	2006-08 (Ultimate)		2006-08 (Ultimate)	
Discount rate (per annum)	8%	-	8%	-
Rate of escalation in salary (per annum)	6%	-	6%	-

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

Notes on financial statements for the year ended 31st March, 2015

V. Amount recognised in current year and previous four year Particular	As at 31st March				₹ lakh
	2015	2014	2013	2012	2011
Grauity	0.60	-	-	-	-
Defined benefit obligation	0.60	-	-	-	-
Fair value of planned assets	-	-	-	-	-
(surplus)/Deficit in the plan	0.60	-	-	-	-
Actuarial (gain)/loss on plan liabilities	-	-	-	-	-
Actuarial gain/(loss) on plan assets	-	-	-	-	-
21. Earnings per share (EPS)			2014-15		2013-14
(i) Net profit/(loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Amount in ₹ lakh)			(2 13.60)		(1.22)
(ii) Weighted average number of equity shares used as denominator for calculating EPS			50,000		27,534
(iii) Basic and diluted earnings/(loss) per share of face value of ₹ 10 each (Amount in ₹)			(427.20)		(4.44)
22. Foreign currency exposures that are not hedged by derivative instruments as on 31st March, 2015 amount to ₹ 4.85 lakhs (previous year ₹ nil).					
23. Value of imports on CIF basis in respect of:			2014-15		2013-14
(i) Traded goods			13 89.23		-
(ii) Capital goods			50.46		-
24. General description of lease terms:					
(i) Lease rentals are charged on the basis of agreed terms.					
(ii) Assets are taken on lease over a period of 5 to 10 years.					
25. Commitments and contingent liabilities			As at		As at
			31st March, 2015		31st March, 2014
a) Capital commitments:					
Estimated amount of contracts remaining to be executed on capital accounts (net of advances) and not provided for					
In respect of Others			92.29		-
b) Contingent liabilities:					
Outstanding guarantees furnished to banks and financial institutions including in respect of letters of credit					
In respect of Others			6 07.75		-
26. Expenditure in foreign currency:			As at		₹ lakh
			2014-15		As at
			2014-15		2013-14
Royalty			11.48		-
27. Value of stores and packing materials consumed:			2014-15		2013-14
	₹ lakh	% of Consumption	₹ lakh	% of Consumption	
Indigenous	4.86	100	-	-	

Notes on financial statements for the year ended 31st March, 2015

28. Broad heads of purchase of traded goods	₹ lakh	
Purchase of traded goods	2014-15	2013-14
Footwear	18 89.91	-
Total	18 89.91	-

29. Broad heads of goods sold	₹ lakh	
Sale of products	2014-15	2013-14
Footwear	5 75.27	-
Total	5 75.27	-

30. Dues to micro and small enterprises

The details of amounts outstanding to Micro and Small Enterprises bases on available information with the Company is as under

	2014-15	2013-14*
1. Principal amount due and remaining unpaid	-	-
2. Interest due on above and the unpaid interest	-	-
3. Interest paid	-	-
4. Payment made beyond the appointed day during the year	-	-
5. Interest due and payable for the period of delay	-	-
6. Interest accrued and remaining unpaid	-	-
7. Amount of further interest remaining due and payable in succeeding year	-	-

* The Company has not received the required information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, disclosure relating to amounts unpaid as at the year end together with interest paid/ payable if any, as required under the said Act could not be made.

31. Deferred tax assets (net) of ₹ 74.35 lakh as on 31st March, 2015 consists of the following items. As a matter of prudence, the Company has not recognised deferred tax assets in the books of accounts.

	As at 31st March, 2015	₹ lakh As at 31st March, 2014
Deferred Tax Assets		
Disallowances under the Income Tax Act,1961	0.34	-
Carried forward Losses	94.11	0.42
Less : Deferred Tax Liabilities		
Related to fixed assets	20.1	-
Deferred Tax Assets (Net)	74.35	0.42

Notes on financial statements for the year ended 31st March, 2015

32. As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

(i) **List of related parties with whom transactions have taken place and relationships:**

Sr. No.	Name of the related party	Relationship
1.	Reliance Industries Limited (from 26-09-2013)	} Ultimate holding company
2.	Reliance Retail Ventures Limited (<i>formerly</i> Reliance Commercial Associates Limited) (from 26-09-2013)	} Holding Company
3.	Reliance Retail Limited (<i>formerly</i> Reliance Fresh Limited) (from 26-09-2013)	}
4.	Strategic Manpower Solutions Limited	} Fellow subsidiary

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

S. No.	Nature of transactions	Holding Company	Fellow subsidiaries	Total
1.	Issue of share capital	-	-	-
		<i>4.00</i>	-	<i>4.00</i>
2.	Net unsecured loans taken/ (repaid)	22 76.81	-	22 76.81
		-	-	-
3.	Purchase of fixed assets/ project materials	11.97	-	11.97
		-	-	-
4.	Purchases	0.09	-	0.09
		-	-	-
5.	Store running expenses	-	41.82	41.82
		-	-	-
6.	Interest cost	95.91	-	95.91
		-	-	-
7.	General expenses	-	-	-
		<i>0.01</i>	-	<i>0.01</i>
	Balance as at 31st March, 2015			
8.	Share capital	5.00	-	5.00
		<i>5.00</i>	-	<i>5.00</i>
9.	Unsecured Loan	22 76.81	-	22 76.81
		-	-	-
10.	Current Liabilities	29.24	-	29.24
		-	-	-
11.	Trade and other payables	-	7.86	7.86
		-	-	-
13.	Financial guarantees taken	6 07.75	-	6 07.75
		-	-	-

Note: Figures in *italics* represents previous year's amount.

Notes on financial statements for the year ended 31st March, 2015

(iii) Disclosure in respect of material related party transactions during the year:			₹ lakh
Particulars	Relationship	2014-15	2013-14
1. Issue of share capital			
Reliance Retail Limited	Holding Company	-	4.00
2. Net unsecured loans taken/ (repaid)			
Reliance Retail Limited	Holding Company	22 76.81	-
3. Purchase of fixed assets/ project materials			
Reliance Retail Limited	Holding Company	11.97	-
4. Purchases			
Reliance Retail Limited	Holding Company	0.09	-
5. Store running expenses			
Strategic Manpower Solutions Limited	Fellow subsidiary	41.82	-
6. Interest cost			
Reliance Retail Limited	Holding Company	95.91	-
7. General expenses			
Reliance Retail Limited	Holding Company	-	0.01

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants
Firm Registration No.101720W

Jignesh Mehta
Partner
Membership No. 102749

Mumbai
Dated : 9th April, 2015

For and on behalf of the Board

Pankaj Pawar
Director
DIN - 00085077

Ashwin Khasgiwala
Director
DIN -00006481

Ashish Patil
Director
DIN - 00076627