Reliance Trading Limited

INDEPENDENT AUDITOR'S REPORT

To the Members of Reliance Trading Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Reliance Trading Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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 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. 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 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, 2016, 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 the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act , we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as 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 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of section 164(2) of the Act.

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

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 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 material foreseeable losses on 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 were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Jignesh Mehta
Partner
Membership No.: 102749

Mumbai
Date: 19th April, 2016

"Annexure A" to Independent Auditors' Report

"Annexure A" to Independent Auditors' Report referred to in Paragraph 1 under the heading of "Report on other legal and regulatory requirements" of our report of even date.

i) As the Company had no Fixed Assets during the year, clause (i) of paragraph 3 of the order is not applicable to the Company.

ii) As explained to us, physical verification of the inventories have been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies were noticed on such physical verification.

iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.

iv) Company has not made any investments or given any loan or any guarantee or security in connection with the loan to any person or body corporate covered under section 186 of the Act.

v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.

vi) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.

vii) In respect of Statutory dues :

a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31, 2016 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax , cess on account of any dispute, which have not been deposited.

viii) The company has not raised loans from financial institutions or banks or by issue of debentures and hence clause (viii) of paragraph 3 of the Order is not applicable to the Company.

ix) The company has not raised money by way of initial public offer or further public offer (including debt instruments) or term Loan and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.

x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi) Company has not paid any managerial remuneration during the year and hence clause (xi) of paragraph 3 of the Order is not applicable to the Company.

xii) In our opinion company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.

xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the company.

xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.

xvi) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

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

Jignesh Mehta
Partner
Membership No.: 102749

Mumbai
Date: 19th April, 2016

"Annexure B" to Independent Auditors' Repor

"Annexure B" to Independent Auditors' Report referred to in paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date.

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

We have audited the Internal Financial Control over financial reporting of Reliance Trading Limited ("the company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year then ended.

Management Responsibility for the Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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 issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system 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, 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, 2016, 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 issued by the ICAI.

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

Jignesh Mehta
Partner
Membership No.: 102749

Mumbai
Date: 19th April, 2016

Balance Sheet as at 31st March, 2016

	Note		As at 31st March, 2016		₹ lakh As at 31st March, 2015
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	1	1 05.00		1 05.00	
Reserves and surplus	2	1 04.50		1 19.04	
			2 09.50		2 24.04
Non-current liabilities					
Long-term provisions	3		-		12.43
Current liabilities					
Trade payables	4				
Micro and Small Enterprises		-		-	
Others		4 38.89		7 36.98	
Other current liabilities	5	34.88		14.21	
Short-term provisions	6	-		2.67	
			4 73.77		7 53.86
Total			6 83.27		9 90.33
ASSETS					
Current assets					
Trade receivables	7	3 39.23		3 70.69	
Cash and bank balances	8	8.33		27.77	
Short-term loans and advances	9	3 35.71		5 91.87	
			6 83.27		9 90.33
Total			6 83.27		9 90.33
Significant accounting policies					
Notes on financial statements	1 to 22				

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Jignesh Mehta
Partner

Mumbai
Dated: 19th April, 2016

For and on behalf of the Board

Pankaj Pawar
Director

Raman Seshadri
Director

Pradipta Mohapatra
Director

B. Anand
Director

Statement of Profit and Loss for the year ended 31st March, 2016

	Note	2015-16	₹ lakh 2014-15
INCOME			
Revenue from operations	**10**	**46 65.47**	50 86.86
Other income	**11**	**0.00**	0.00
Total revenue		**46 65.47**	50 86.86
EXPENDITURE			
Purchases of stock-in-trade		**46 17.50**	49 06.75
Changes in inventories of stock-in-trade		**-**	-
Employee benefits expense	**12**	**(7.41)**	97.85
Other expenses	**13**	**69.92**	70.22
Total expenses		**46 80.01**	50 74.82
Profit/ (loss) before tax		**(14.54)**	12.04
Tax expenses:			
Current tax		**-**	2.30
Profit/ (loss) for the year		**(14.54)**	9.74
Earnings per equity share of face value of ₹ 10 each			
Basic and Diluted	**16**	**(1.38)**	0.93
Significant accounting policies			
Notes on financial statements	**1 to 22**		

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Jignesh Mehta
Partner

Mumbai
Dated: 19th April, 2016

For and on behalf of the Board

Pankaj Pawar
Director

Raman Seshadri
Director

Pradipta Mohapatra
Director

B. Anand
Director

Cash Flow Statement for the year 2015-16

			2015-16		₹ lakh 2014-15
A:	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit/ (loss) before tax as per Statement of Profit and Loss		**(14.54)**		12.04
	Adjusted for:				
	Effect of exchange rate change		**(2.32)**		5.49
	Interest income (₹ 88 (previous year ₹ 88))		**0.00**		0.00
	Operating profit/ (loss) before working capital changes		**(16.86)**		17.53
	Adjusted for:				
	Trade and other receivables	**2 87.62**		(3 03.28)	
	Trade and other payables	**(2 87.90)**		3 16.39	
			(0.28)		13.11
	Cash generated from operations		**(17.14)**		30.64
	Taxes paid (net)		**(2.30)**		(4.44)
	Net cash from/ (used in) operating activities		**(19.44)**		26.20
B:	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Interest income ₹ 88 (previous year ₹ 76)		**0.00**		0.00
	Net cash from investing activities		**0.00**		0.00
C:	**CASH FLOW FROM FINANCING ACTIVITIES**		**-**		-
	Net increase in cash and cash equivalents		**(19.44)**		26.20
	Opening balance of cash and cash equivalents		**27.76**		1.56
	Closing balance of cash and cash equivalents (Refer note "8")		**8.32**		27.76

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Jignesh Mehta
Partner

Mumbai
Dated: 19th April, 2016

For and on behalf of the Board

Pankaj Pawar
Director

Raman Seshadri
Director

Pradipta Mohapatra
Director

B. Anand
Director

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. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

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 Leased assets

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

b) Finance lease: The lower of the fair value of the assets and present value of the minimum lease rentals is capitalised as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to Statement of Profit and Loss.

E Depreciation

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. Software are amortized over a period of five years and franchisee rights are amortized over the period of agreement for right to use.

F 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.

G 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) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

iii) Non monetary foreign currency items are carried at cost.

iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the 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.

H Investments

Investments that are readily realisable and intended to be held for not more than 12 months from the date of acquisition are classified as current investment. All other investments are classified as non-current investments. Current investments are carried at the lower of cost and quoted/ fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

Significant accounting policies

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 recognised only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services, adjusted for discounts (net), service tax, excise duty and value added tax.

Dividend income is recognised when right 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:**

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.

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.

iii) In respect of employees stock options, the excess of fair price on the date of grant over the exercise price is recognised as deferred compensation cost amortised over the vesting period.

L Financial derivatives and commodity hedging transactions

In respect of derivative contracts, premium paid, gains/ losses on settlement and provision for losses on restatement are recognised along with the underlying transactions and charged to Statement of Profit and Loss, except in case where the related underlying physical transactions is held as inventory, in which case, they are adjusted to the carrying cost of inventory.

M 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 using the applicable tax rate. 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/ reasonable certainty that the asset will be realised in future.

N Provisions, contingent liabilities and contingent assets

Provisions is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent Liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent Assets are neither recognised nor disclosed in the financial statements.

Notes on financial statements for the year ended 31st March, 2016

₹ lakh

1. Share capital		As at 31st March, 2016	As at 31st March, 2015
Authorised:			
52,10,000 (52,10,000)	Equity shares of ₹ 10 each	**5 21.00**	5 21.00
Total		**5 21.00**	5 21.00
Issued, subscribed and paid-up:			
10,50,000 (10,50,000)	Equity shares of ₹ 10 each	**1 05.00**	1 05.00
Total		**1 05.00**	1 05.00

(i) All the above 10,50,000 (previous year 10,50,000) equity shares of ₹ 10 each fully paid-up are held by Reliance Retail Limited, the holding company along with its nominees.

(ii) **The details of Shareholders holding more than 5% shares:**

Name of the Shareholders	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	(%) held	No. of shares	(%) held
Reliance Retail Limited	**10,50,000**	**100**	10,50,000	100

(iii) **Reconciliation of opening and closing number of shares**

Particulars	As at 31st March, 2016	As at 31st March, 2015
	No. of shares	No. of shares
Equity shares outstanding at the beginning of the year	**10,50,000**	10,50,000
Add: Equity shares issued during the year	**-**	-
Equity shares outstanding at the end of the year	**10,50,000**	10,50,000

(iv) The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

₹ lakh

2. Reserves and surplus		As at 31st March, 2016		As at 31st March, 2015
Reserves				
Capital Reserve				
As per last Balance Sheet		**1 31.24**		1 31.24
Surplus				
Profit and Loss Account				
As per last Balance Sheet	**(12.20)**		(21.94)	
Add: Profit/ (loss) for the year	**(14.54)**		9.74	
		(26.74)		(12.20)
Total		**1 04.50**		1 19.04

Notes on financial statements for the year ended 31st March, 2016

₹ lakh

3. Long-term provisions	As at 31st March, 2016	As at 31st March, 2015
Provision for employee benefits	-	12.43
Total	-	12.43

4. Trade payables

(i) 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:

₹ lakh

Sr. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
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	-	-

₹ lakh

5. Other current liabilities	As at 31st March, 2016	As at 31st March, 2015
Others (i)	**34.88**	14.21
Total	**34.88**	14.21

(i) Includes statutory liabilities.

₹ lakh

6. Short-term provisions	As at 31st March, 2016	As at 31st March, 2015
Provision for income tax	-	2.30
Provision for employee benefits	-	0.37
Total	-	2.67

₹ lakh

7. Trade receivables *(unsecured and considered good)*	As at 31st March, 2016	As at 31st March, 2015
Outstanding for a period exceeding six months	-	-
Others	**3 39.23**	3 70.69
Total	**3 39.23**	3 70.69

Notes on financial statements for the year ended 31st March, 2016

₹ lakh

8. **Cash and bank balances**	**As at 31st March, 2016**	As at 31st March, 2015
Cash and cash equivalent		
Bank Balances		
In current accounts	**8.32**	27.76
Subtotal	**8.32**	27.76
Other bank balances		
In deposit (i) and (ii)	**0.01**	0.01
Subtotal	**0.01**	0.01
Total	**8.33**	27.77

(i) Represents ₹ 0.01 lakh (previous year ₹ 0.01 lakh) with maturity period of more than 12 months.

(ii) Represents ₹ 0.01 lakh (previous year ₹ 0.01 lakh) held by tax authority as security.

₹ lakh

9. **Short-term loans and advances** *(unsecured and considered good)*	**As at 31st March, 2016**	As at 31st March, 2015
Balance with customs authorities, etc.	**2 93.72**	2 37.76
Others (i)	**41.99**	3 54.11
Total	**3 35.71**	5 91.87

(i) Includes advances to vendors.

₹ lakh

10. **Revenue from operations**	**2015-16**	2014-15
Sale of products	**46 65.47**	50 86.86
Total	**46 65.47**	50 86.86

₹ lakh

11. **Other income**	**2015-16**	2014-15
Interest income		
From others [₹ 88 (previous year ₹ 88)]	**0.00**	0.00
Total	**0.00**	0.00

₹ lakh

12. **Employee benefits expense**	**2015-16**	2014-15
Salaries and wages	**(3.20)**	87.18
Contribution to provident and other funds	**(4.26)**	6.71
Staff welfare expenses	**0.05**	3.96
Total	**(7.41)**	97.85

Notes on financial statements for the year ended 31st March, 2016

12.1 As per Accounting Standard 15 “Employee Benefits”, the disclosures of employee benefits as defined in the Accounting Standard are given below:

Defined contribution plan ₹ lakh

Contribution to defined contribution plan, recognised are charged off for the year are as under:

	2015-16	2014-15
Employer’s contribution to Provident Fund	**0.07**	2.94
Employer’s contribution to Pension Scheme	**0.01**	0.83

Defined benefit plan

The present value of obligation for gratuity 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:

I. Reconciliation of opening and closing balances of defined benefit obligation ₹ lakh

	Gratuity (funded)		**Compensated Absences (unfunded)**	
	2015-16	2014-15	**2015-16**	2014-15
Defined benefit obligation at beginning of the year	**7.60**	6.38	**5.20**	5.00
Current service cost	**(7.60)**	1.14	**(5.20)**	0.92
Interest cost	-	0.51	-	0.40
Actuarial (gain)/ loss	-	1.00	-	(1.12)
Benefits paid	-	(1.43)	-	-
Defined benefit obligation at year end	-	7.60	-	5.20

II. Reconciliation of fair value of assets and obligations ₹ lakh

	Gratuity (funded)		**Compensated Absences (unfunded)**	
	2015-16	2014-15	**2015-16**	2014-15
Present value of obligation	-	7.60	-	5.20
Amount recognised in Balance Sheet	-	7.60	-	5.20

III. Expenses recognised during the year ₹ lakh

	Gratuity (funded)		**Compensated Absences (unfunded)**	
	2015-16	2014-15	**2015-16**	2014-15
Current service cost	**(7.60)**	1.14	**(5.20)**	0.92
Interest cost on benefit obligation	-	0.51	-	0.40
Actuarial (gain)/ loss recognised in the year	-	1.00	-	(1.12)
Net benefit expense/ (income)	**(7.60)**	2.65	**(5.20)**	0.20

Notes on financial statements for the year ended 31st March, 2016

IV. Actuarial assumptions

	Gratuity (funded)		Compensated Absences (unfunded)	
	2015-16	2014-15	**2015-16**	2014-15
Mortality Table	**2006-08 (Ultimate)**	2006-08 (Ultimate)	**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.

V. Amount recognised in current year and previous four years ₹ lakh

Particular	As at 31st March				
Gratuity	**2016**	2015	2014	2013	2012
Defined benefit obligation	-	7.60	6.38	8.86	1 14.01
Fair value of planned assets	-	-	-	-	-
(surplus)/ Deficit in the plan	-	7.60	6.38	8.86	1 14.01
Actuarial (gain)/ loss on plan liabilities	-	1.00	0.98	1.91	(6.47)
Actuarial gain/ (loss) on plan assets	-	-	-	-	-

VI. The expected contributions for Defined Benefit Plan for the next financial year will be in line with Financial year 2015-16.

₹ lakh

13. Other expenses		**2015-16**		2014-15
Establishment expenses				
Insurance	**1.02**		1.02	
Rates and taxes	**0.42**		0.26	
Travelling and conveyance expenses	**0.66**		7.21	
Professional fees	**1.46**		0.16	
Exchange differences (net)	**37.89**		56.79	
Hire charges	**21.09**		-	
General expenses	**6.14**		3.70	
		68.68		69.14
Payments to auditor				
Audit fees	**0.65**		0.62	
Tax audit fees	**0.23**		0.17	
Certification and consultation fees	**0.36**		0.29	
		1.24		1.08
Total		**69.92**		70.22

Notes on financial statements for the year ended 31st March, 2016

13.1 Value of imports on CIF basis in respect of:

		₹ lakh
	2015-16	2014-15
Traded goods	**36 78.09**	39 74.30

13.2 Expenditure in foreign currency:

		₹ lakh
	2015-16	2014-15
Travelling and conveyance expenses	-	0.72

14 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.

15 The Company is mainly engaged in 'Organised Retail' primarily catering to consumers in India under various consumption baskets. 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".

16 Earnings per share (EPS)

		2015-16	2014-15
(i)	Net profit/ (loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ lakh)	**(14.54)**	9.74
(ii)	Weighted average number of equity shares used as denominator for calculating EPS	**10,50,000**	1,050,000
(iii)	Basic and diluted earnings/ (loss) per share of face value of ₹ 10 each (Amount in ₹)	**(1.38)**	0.93

17 Financial and derivative instruments

Derivative contracts entered into by the Company and outstanding as on 31st March, 2016

a) For hedging currency related risks:

Nominal amounts of forward contracts entered into by the Company and outstanding as at 31st March, 2016 amount to ₹ 395.50 lakh (previous year ₹ nil).

b) Foreign currency exposures for Trade and other payables that are not hedged by derivative instruments as on 31st March, 2016 amount to ₹ 28.26 lakh (previous year ₹ 4 50.53 lakh).

18 Commitments and contingent liabilities

		₹ lakh
	As at 31st March, 2016	As at 31st March, 2015
Contingent liabilities:		
Outstanding guarantees furnished to banks including in respect of letters of credit	**15.17**	12.16

19 Broad heads of purchase of traded goods

		₹ lakh
Purchase of traded goods	**2015-16**	2014-15
Capital goods & Other	**46 17.50**	49 06.75

20 Broad heads of goods sold

		₹ lakh
Sale of products	**2015-16**	2014-15
Capital goods & Other	**46 65.47**	50 86.86

21 Deferred tax assets (net) as on 31st March, 2016 consists mainly of carried forward losses ₹ 21.56 lakh (previous year ₹ 13.27 lakh) and income tax disallowances ₹ 0.32 lakh (previous year ₹ 3.08 lakh). As a matter of prudence, the Company has not recognised deferred tax assets in the books of accounts.

Notes on financial statements for the year ended 31st March, 2016

22 As per Accounting Standard 18 'Related Party Disclosures', the disclosures of transactions with the related parties as defined in the Accounting Standard 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	Ultimate holding company
2	Reliance Retail Ventures Limited	Holding company
3	Reliance Retail Limited	
4	Strategic Manpower Solutions Limited	Fellow subsidiary

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

Sr. No.	Nature of transactions	Holding company	Fellow subsidiary	Total
1	Revenue from operations	**50 16.85**	**-**	**50 16.85**
		55 46.49	*-*	*55 46.49*
2	Hire charges	-	**21.09**	**21.09**
		-	-	-
Balance as at 31st March, 2016				
3	Share capital	**1 05.00**	**-**	**1 05.00**
		1 05.00	*-*	*1 05.00*
4	Trade and other payables	**45.71**	**1.35**	**47.06**
		-	-	-
5	Trade and other receivables	**3 39.23**	**-**	**3 39.23**
		3 70.69	*-*	*3 70.69*
6	Financial guarantees taken	**15.17**	**-**	**15.17**
		12.16	*-*	*12.16*

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

(iii) Disclosure in respect of material related party transactions during the year: ₹ lakh

Particulars		Relationship	2015-16	2014-15
1	**Revenue from operations**			
	Reliance Retail Limited	Holding Company	**50 16.85**	55 46.49
2	**Hire charges**			
	Strategic Manpower Solutions Limited	Fellow Subsidiary	**21.09**	-

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Jignesh Mehta
Partner

Mumbai
Dated: 19th April, 2016

For and on behalf of the Board

Pankaj Pawar
Director

Raman Seshadri
Director

Pradipta Mohapatra
Director

B. Anand
Director