

**RELIANCE INNOVATIVE BUILDING
SOLUTIONS PRIVATE LIMITED
FINANCIAL STATEMENTS
2017-18**

Independent Auditor's Report

TO THE MEMBERS OF

RELIANCE INNOVATIVE BUILDING SOLUTIONS PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance Innovative Building Solutions Private 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.

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 state of affairs(financial position), profit or loss(financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 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 of the 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 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 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 including the Ind AS, 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 the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "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 it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 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 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

Place: Mumbai
Date: April 24, 2018

“Annexure A” to the Independent Auditors’ Report on the Financial Statements of Reliance Innovative Building Solutions Private Limited

(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 the Company had no Inventories during the year, clause (ii) of paragraph 3 of the Order is not applicable to the Company.
- 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 granted any loans, investments, guarantees and securities covered under section 185 and 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, goods and services 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 31st March, 2018 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, goods and services 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 governments 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) and term loans has been applied for the purpose for which they are raised.
- 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 of shares 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

Place: Mumbai
Date: April 24, 2018

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF Reliance Innovative Building Solutions Private 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 Innovative Building Solutions Private 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
Firm Registration No. -101720W

Jignesh Mehta
Partner
Membership No. 102749

Place: Mumbai
Date: April 24, 2018

Balance sheet as at 31st March, 2018

	Note	As at 31st March, 2018	As at 31st March, 2017	₹
ASSETS				
Non-Current Assets				
Other Non Current Assets	1	<u>1,72,24,685</u>	1,82,82,544	
Total Non-Current Assets		1,72,24,685		1,82,82,544
Current Assets				
Financial Assets				
Trade Receivables	2	5,923	5,923	
Cash and Cash Equivalents	3	21,13,138	7,76,374	
Other Current Assets	4	<u>27,94,72,518</u>	22,45,21,120	
Total Current Assets		28,15,91,579		22,53,03,417
Total Assets		29,88,16,264		24,35,85,961
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	5	64,69,39,500	64,69,39,500	
Other Equity	6	<u>(43,28,29,407)</u>	(46,72,78,084)	
Total Equity		21,41,10,093		17,96,61,416
Non-Current Liabilities				
Financial Liabilities				
Borrowings	7	7,51,00,000	4,43,00,000	
Other Financial Liabilities	8	<u>81,25,592</u>	1,23,13,833	
Total Non Current Liabilities		8,32,25,592		5,66,13,833
Current Liabilities				
Financial Liabilities				
Trade Payables	9	11,62,400	4,98,669	
Other Financial Liabilities	10	-	65,78,750	
Other Current Liabilities	11	<u>3,18,179</u>	2,33,294	
Total Current Liabilities		14,80,579		73,10,713
Total Liabilities		8,47,06,171		6,39,24,546
Total Equity and Liabilities		29,88,16,264		24,35,85,961
Significant Accounting Policies				
Notes to Financial Statements	1 to 24			

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
(Firm Registration No. -101720W)

Jignesh Mehta
Partner
(Membership No. 102749)

Place : Mumbai
Date : 24th April, 2018

For and on behalf of the board

Tarun Jhunjhunwala
Director

Dhirendra Harilal Shah
Director

Pooja Karia
Chief Financial Officer

Ramesh Kumar Damani
Director

Jagmohanlal Bhamri
Director

Ankita Chhajed
Company Secretary

Sudhakar Saraswatula
Director

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

	Note	2017-18	2016-17
INCOME			
Revenue from Operations		-	-
Other Income	12	<u>7,44,25,941</u>	<u>1,42,27,726</u>
Total Income		<u>7,44,25,941</u>	<u>1,42,27,726</u>
EXPENSES			
Finance Costs	13	<u>46,64,801</u>	<u>43,77,472</u>
Other Expenses	14	<u>3,53,12,463</u>	<u>2,91,50,839</u>
Total Expenses		<u>3,99,77,264</u>	<u>3,35,28,310</u>
Profit/ (Loss) Before Tax		<u>3,44,48,677</u>	<u>(1,93,00,584)</u>
Tax Expenses		-	-
Profit/ (Loss) for the Year		<u>3,44,48,677</u>	<u>(1,93,00,584)</u>
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		<u>3,44,48,677</u>	<u>(1,93,00,584)</u>
Earnings/ (loss) per equity share (face value of ₹ 10 each)			
Basic and Diluted	15	0.53	(0.30)
Significant Accounting Policies			
Notes to Financial Statements	1 to 24		

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
(Firm Registration No. -101720W)

Jignesh Mehta
Partner
(Membership No. 102749)

Place : Mumbai
Date : 24th April, 2018

For and on behalf of the board

Tarun Jhunjunwala
Director

Dhirendra Harilal Shah
Director

Pooja Karia
Chief Financial Officer

Ramesh Kumar Damani
Director

Jagmohanlal Bhamri
Director

Ankita Chhajed
Company Secretary

Sudhakar Saraswatula
Director

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

A. EQUITY

Balance at the beginning of the reporting period i.e. 1st April, 2016	Changes in equity share capital during FY 2016-17	Balance at the end of the reporting period i.e. 31st March, 2017	Changes in Equity Share capital during FY 2017-18	Balance at the end of the reporting period i.e. 31st March, 2018
64,69,39,500	-	64,69,39,500	-	64,69,39,500

B. OTHER EQUITY

Particulars	Reserves and Surplus Retained Earnings	Total
As on 31 March 2017		
Balance at the beginning of the reporting period i.e. 1st April, 2016	(44,79,77,500)	(44,79,77,500)
Total Comprehensive Income for the year	(1,93,00,584)	(1,93,00,584)
Balance at the end of the reporting period i.e. 31st March, 2017	(46,72,78,084)	(46,72,78,084)
As on 31 March 2018		
Balance at the beginning of the reporting period i.e. 1st April, 2017	(46,72,78,084)	(46,72,78,084)
Total Comprehensive Income for the year	3,44,48,677	3,44,48,678
Balance at the end of the reporting period i.e. 31st March, 2018	(43,28,29,407)	(43,28,29,407)

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
(Firm Registration No. -101720W)

Jignesh Mehta
Partner
(Membership No. 102749)

Place : Mumbai
Date : 24th April, 2018

For and on behalf of the board

Tarun Jhunjunwala
Director

Dhirendra Harilal Shah
Director

Pooja Karia
Chief Financial Officer

Ramesh Kumar Damani
Director

Jagmohanlal Bhamri
Director

Ankita Chhajed
Company Secretary

Sudhakar Saraswatula
Director

Cash Flow Statement for the year 2017-18

	2017-18	2016-17
A: CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax as per Statement of Profit and Loss	3,44,48,677	(1,93,00,584)
Adjusted for:		
Provision for doubtful advances Writeback	(5,77,49,755)	-
Interest Income	(3,29,774)	(13,450)
Finance Costs	46,64,801	43,77,472
	<u>(5,34,14,728)</u>	<u>43,64,022</u>
Operating Profit/ (Loss) before Working Capital Changes	(1,89,66,051)	(1,49,36,562)
Adjusted for:		
Trade and Other Receivables	26,84,906	5,02,630
Trade and Other Payables	(34,39,624)	(25,36,716)
	<u>(7,54,718)</u>	<u>(20,34,086)</u>
Cash (used in) Operations	(1,97,20,769)	(1,69,70,648)
Taxes (Paid) / Refund (Net)	11,57,859	(16,52,405)
Net Cash flow (used in) Operating Activities	(1,85,62,910)	(1,86,23,053)
B: CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	3,18,872	-
Net Cash flow from Investing Activities	3,18,872	-
C: CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings - Non-Current	3,08,00,000	1,88,00,000
Interest Paid	(1,12,43,551)	-
Net Cash flow from Financing Activities	1,95,56,449	1,88,00,000
Net (Decrease)/ Increase in Cash and Cash Equivalents	13,12,411	1,76,947
Opening Balance of Cash and Cash Equivalents	7,12,455	5,35,508
Closing Balance of Cash and Cash Equivalents (Refer Note "3")	20,24,866	7,12,455

Change in Liability arising from financing activities

	1 April 2017	Cash flow	Foreign exchange	31 March 2018
Borrowings - Non Current (Refer Note 7)	4,43,00,000	3,08,00,000	-	7,51,00,000

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
(Firm Registration No. -101720W)

Jignesh Mehta
Partner
(Membership No. 102749)

Place : Mumbai
Date : 24th April, 2018

For and on behalf of the board

Tarun Jhunjunwala
Director

Dhirendra Harilal Shah
Director

Pooja Karia
Chief Financial Officer

Ramesh Kumar Damani
Director

Jagmohanlal Bhamri
Director

Ankita Chhajed
Company Secretary

Sudhakar Saraswatula
Director

₹

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

A. CORPORATE INFORMATION

Reliance Innovative Building Solutions Private Limited ('the Company'), a Company registered under Companies Act 2013, incorporated on October 10, 2007, was a Joint Venture between Reliance Industrial Investments & Holdings Ltd. and SYNTHÉON (Mauritius) Limited up to 30th March, 2015. Thereafter, it has become wholly owned subsidiary of Reliance Industrial Investments and Holdings Ltd. The registered address of the company is 4th Floor, Court House, Lokmanya Tilak Marg, Dhobi Talao, Mumbai 400 002.

The projects of the company have been completed and the management has decided not to pursue any business in future, accordingly, the operations of the company have been terminated. The management has identified all existing Property, Plant and Equipment to be not in active use and has accordingly, transferred them to 'assets held for sale/disposal'.

Amount of ₹ 21,65,71,339/- (previous year ₹ 21,65,71,339/-) representing the net book value of the idle assets identified, have been disclosed under 'assets held for sale/disposal' to reflect the estimated recoverable amount of Property, Plant and Equipment based on valuation of plant and machineries and best estimates by management for rest of Property, Plant and Equipment. The management is firming up the plan to sell these assets.

In view of the above, no depreciation has been charged to the Statement of Profit and Loss.

B. SIGNIFICANT ACCOUNTING POLICIES

B.1 BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount: (i) Certain financial assets and liabilities measured at fair value. (ii) Defined benefit plans - plan assets measured at fair value.

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

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

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Leases:

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

(b) Inventories :

Inventories are measured at lower of cost or net realisable value. Cost is 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 Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

- Current tax

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

- Deferred tax

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

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

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

(e) Revenue Recognition

Revenue from sale 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 operations 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.

(f) 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 adjusted 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 measured 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 measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A financial asset is measured at fair value through other comprehensive income 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.

c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

C. Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment 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. 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 and borrowings net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

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

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.

C. CRITICAL ACCOUNTING JUDGMENTS 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 next financial years.

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 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 Non-Financial Assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

c) 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 mode 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 on Financial Statements for the year ended 31st March, 2018

1	Other Non Current Assets (Unsecured and Considered Good)	As at 31st March, 2018	₹ As at 31st March, 2017
	Security Deposits	1,15,77,630	1,14,77,630
	Advance Income Tax (Net of Provision)	56,47,055	68,04,914
	Total	1,72,24,685	1,82,82,544
	Advance Income Tax (Net of Provision)		
	At the Start of the year	68,04,914	51,52,509
	Charge for the year - Current Tax	-	-
	Tax Paid/(Refund) - Net during the year	(11,57,859)	16,52,405
	At end of the year	56,47,055	68,04,914
2	Trade Receivables (Unsecured and Considered Good)	As at 31st March, 2018	₹ As at 31st March, 2017
	Trade Receivables	5,923	5,923
	Total	5,923	5,923
3	Cash and Cash Equivalents	As at 31st March, 2018	₹ As at 31st March, 2017
	Bank Balances:		
	In Current Accounts	20,24,866	7,12,455
	Other Bank Balances		
	In Deposits	88,272	63,919
	Cash and Cash Equivalents as per Balance Sheet	21,13,138	7,76,374
	Cash and Cash Equivalents as per Statement of Cash Flow	20,24,866	7,12,455
	3.1 Cash and Cash Equivalents includes deposits maintained by the Company with banks, which can be withdrawn by the Company at any point of time without prior notice or penalty on the principal.		
4	Other Current Assets (Unsecured and Considered Good)	As at 31st March, 2018	₹ As at 31st March, 2017
	Balance with Customs, Central Excise, GST and State Authorities	6,14,70,338	38,16,486
	Others* (Refer note no 22)	21,80,02,180	22,07,04,634
	Total	27,94,72,518	22,45,21,120

* Includes Assets held for Sale, Prepaid Expenses, Advances to vendors.

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

5 Share Capital		As at 31st March, 2018	As at 31st March, 2017
			₹
Authorised Share Capital:			
66,000,000 (66,000,000)	Equity Shares of ₹ 10 each	66,00,00,000	66,00,00,000
	Total	66,00,00,000	66,00,00,000
Issued, Subscribed and Paid-Up:			
Fully paid-up			
64,693,950 (64,693,950)	Equity Shares of ₹ 10 each	64,69,39,500	64,69,39,500
	Total	64,69,39,500	64,69,39,500
(i) Rights, Preferences and restrictions attached to Equity Shares:			
The Company has only one class of equity share having par value of Rs 10 per share. The equity shareholders are 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 of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount in proportion to the number of equity shares held.			
(ii) The details of Shareholders holding more than 5% shares :			
		As at 31st March, 2018	As at 31st March, 2017
Name of the Shareholders	No. of Shares	% held	No. of Shares
Reliance Industrial Investments and Holdings Limited (Holding Company)	6,46,93,950	100	6,46,93,950 100
(iii) The reconciliation of the number of shares outstanding is set out below :			
		As at 31st March, 2018	As at 31st March, 2017
Particulars		No. of shares	No. of shares
Equity Shares at the beginning of the year		6,46,93,950	6,46,93,950
Add: Equity Shares issued during the year		-	-
Equity Shares at the end of the year		6,46,93,950	6,46,93,950
6 Other Equity			
		As at 31st March, 2018	As at 31st March, 2017
Retained Earnings			
As per Last Balance Sheet		(46,72,78,084)	(44,79,77,500)
Add: Profit (Loss) for the year		3,44,48,677	(1,93,00,584)
Total		(43,28,29,407)	(46,72,78,084)

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

7 Borrowings - Non Current	As at 31st March, 2018	As at 31st March, 2017
		₹
Unsecured - At Amortised Cost		
From Related Party	<u>7,51,00,000</u>	<u>4,43,00,000</u>
Total	<u>7,51,00,000</u>	<u>4,43,00,000</u>
8 Other Financial Liabilities - Non Current		₹
	As at 31st March, 2018	As at 31st March, 2017
Others - Lease Equalisation Reserve	<u>81,25,592</u>	<u>1,23,13,833</u>
Total	<u>81,25,592</u>	<u>1,23,13,833</u>
9 Trade Payables		₹
	As at 31st March, 2018	As at 31st March, 2017
Micro, Small and Medium Enterprises	-	-
Others	<u>11,62,400</u>	<u>4,98,669</u>
Total	<u>11,62,400</u>	<u>4,98,669</u>
9.1 Trade Payables		
There are no amounts overdue to Micro, Small and Medium Enterprises as at March 31, 2018 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.		
10 Other Financial Liabilities - Current		₹
	As at 31st March, 2018	As at 31st March, 2017
Interest Accrued but not due on Borrowings	<u>-</u>	<u>65,78,750</u>
Total	<u>-</u>	<u>65,78,750</u>
11 Other Current Liabilities		₹
	As at 31st March, 2018	As at 31st March, 2017
Others *	<u>3,18,179</u>	<u>2,33,294</u>
Total	<u>3,18,179</u>	<u>2,33,294</u>

* Includes statutory dues.

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

12 Other Income	₹	
	<u>2017-18</u>	<u>2016-17</u>
Other Non-Operating Income		
Rental Income	1,63,46,412	1,42,14,276
Interest Income	3,29,774	13,450
Provision for Doubtful advances (write back)*	<u>5,77,49,755</u>	-
Total	<u><u>7,44,25,941</u></u>	<u><u>1,42,27,726</u></u>
	<u><u>7,44,25,941</u></u>	<u><u>1,42,27,726</u></u>
*Reversal of earlier provision for doubtful advances for excise and service tax credit now written back.		
13 Finance Costs	₹	
	<u>2017-18</u>	<u>2016-17</u>
Interest Cost	46,64,801	43,72,775
Others	-	4,697
Total	<u><u>46,64,801</u></u>	<u><u>43,77,472</u></u>
14 Other Expenses	₹	
	<u>2017-18</u>	<u>2016-17</u>
Establishment Expenses		
Other Repairs	1,46,500	-
Rent including Lease Rentals	2,70,79,719	2,71,08,929
Insurance	2,59,718	59,751
Rates and Taxes	49,74,801	33,743
Payment to Auditors (Refer Note no 14.1)	66,000	70,000
Professional Fees	7,54,036	1,82,384
Electricity Expenses	12,27,583	11,30,513
Labour processing, Machinery Hire Charges	-	6,483
Security Expenses	3,60,000	4,21,996
General Expenses	<u>4,44,106</u>	<u>1,37,040</u>
Total	<u><u>3,53,12,463</u></u>	<u><u>2,91,50,839</u></u>
	<u><u>3,53,12,463</u></u>	<u><u>2,91,50,839</u></u>
14.1 Payment to Auditors as:	₹	
	<u>2017-18</u>	<u>2016-17</u>
(a) Statutory Audit Fees	48,000	48,000
(b) Tax Audit Fees	12,000	11,000
(c) Certification Fees	6,000	11,000
Total	<u><u>66,000</u></u>	<u><u>70,000</u></u>
	<u><u>66,000</u></u>	<u><u>70,000</u></u>

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

	₹	
	2017-18	2016-17
15 Earning Per Share (EPS)		
(i) Face Value per Equity Share (₹)	10.00	10.00
(ii) Basic & Diluted Earning per Share (₹)	0.53	(0.30)
(iii) Net Profit (Loss) as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	3,44,48,677	(1,93,00,584)
(iv) Weighted average number of equity shares (Used as Denominator for calculating Basic & Diluted EPS)	6,46,93,950	6,46,93,950

16 Related Parties 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:**

<u>Name of the Related Party</u>	<u>Relationship</u>
Reliance Industries Limited	Ultimate Holding Company
Reliance Industrial Investments and Holdings Limited	Holding Company
Reliance Retail Limited	Fellow Subsidiary Company

(ii) **Disclosure in respect of Related Party Transactions during the Year:**

	₹	
Particulars	2017-18	2016-17
Loan taken from Reliance Industrial Investments and Holdings Limited	3,08,00,000	1,88,00,000
Lease rent received from Reliance Retail Limited	1,63,46,412	1,42,14,276
Interest payment to Reliance Industrial Investments and Holdings Limited	46,64,801	43,72,775
Professional Fees Paid to Reliance Industries Limited	50,625	-

Balances as at 31st March, 2018

		₹
(i) Share Capital		
Reliance Industrial Investments and Holdings Limited	Holding Company	64,69,39,500 <i>64,69,39,500</i>
(ii) Unsecured Loan		
Reliance Industrial Investments and Holdings Limited	Holding Company	7,51,00,000 <i>4,43,00,000</i>
(iii) Trade Receivables		
Reliance Retail Limited	Fellow Subsidiary Company	5,923 <i>5,923</i>
(iv) Trade Payables		
Reliance Industrial Investments and Holdings Limited	Holding Company	- <i>65,23,016</i>
Reliance Industries Limited	Ultimate Holding Company	50,625 -

Note: Figures in italic represent Previous Year's amounts.

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

17 Leases

Operating lease: Company as lessee

The Company has taken factory premises on operating lease. The lease terms are for 9 years and 11 months. Lease payments for the Year amounted to ₹ 3,12,67,960/- (Previous Period ₹ 2,79,35,240/-).

Future minimum lease payments under these operating leases as of March 31, 2018 are as follows:

Minimum Lease Payments	2017-18	2016-17
Within One year	2,16,06,120	3,12,67,966
After one year but not more than five years	3,35,78,266	5,51,84,386
More than five year	Nil	Nil
	5,51,84,386	8,64,52,352

The Company has leased out a portion of the factory premises on operating lease. The lease term is for 9 years 11 months and thereafter renewable at the option of both the parties. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements

18 Contingent Liabilities and Commitments

Contingent Liabilities - Nil

Commitments (For commitment relating to lease arrangement, Refer note 17)

19 Income Tax Assessment of the Company for AY 2015-16 is completed u/s 143(1). There is no Contingent Liability as on 31-03-2018.

20 Capital Management

The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders. The company manages its capital structure and make adjustment in light of changes in business condition. The overall strategy remains unchanged as compared to last year.

Gearing Ratio

Particulars	As at 31st March, 2018	As at 31st March, 2017
Gross Debt	7,51,00,000	4,43,00,000
Cash and Marketable securities	(21,13,138)	(7,76,374)
Net Debt (A)	7,29,86,862	4,35,23,626
Total Equity (As per Balance Sheet) (B)	21,41,10,093	17,96,61,416
Net debt to Equity ratio (A/B)	0.34	0.24

21 Financial Instruments

(A) Fair Value Measurement Hierarchy

All financial assets and financial liabilities are measured at amortised cost. Consequently, application of fair value accounting and the related disclosure is not applicable.

(B) Financial Risk Management

(i) 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 cash and cash equivalents, derivative financial instruments, deposits from financial institutions and principally from credit exposures to customers relating to outstanding receivables.

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

(ii) Liquidity Risk

Liquidity risk is the risk that suitable sources of funding for the company's business activities may not be available. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due, so that the company is not forced to obtain funds at higher rates.

22 The projects of the company have been completed and the management has decided not to pursue any business in future, accordingly, the operations of the company has terminated. The management has identified all existing Property, Plant and Equipment to be not in active use and has accordingly, transferred them to 'assets held for sale/disposal'. Amount ₹ 21,65,71,339 (previous year ₹ 21,65,71,339) representing the net book value of the idle assets identified, have been disclosed under 'assets held for sale/disposal to reflect the estimated recoverable amount of Property, Plant and Equipment based on valuation of plant and machineries and best estimates by management for rest of Property, Plant and Equipment. The management is firming up the plan to sell these assets. In view of the above, no depreciation has been charged to the Statement of Profit and Loss.

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

24 APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved for issue by the Board of Directors on 24th April, 2018.

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants
(Firm Registration No. -101720W)

Jignesh Mehta
Partner
(Membership No. 102749)

Place : Mumbai
Date : 24th April, 2018

For and on behalf of the board

Tarun Jhunjunwala
Director

Dhirendra Harilal Shah
Director

Pooja Karia
Chief Financial Officer

Ramesh Kumar Damani
Director

Jagmohanlal Bhamri
Director

Ankita Chhajed
Company Secretary

Sudhakar Saraswatula
Director