

**RELIANCE RETAIL LIMITED**  
**FINANCIAL STATEMENTS**  
**2017-18**

## Independent Auditor's Report

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### To the members of Reliance Retail Limited

#### Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of **Reliance Retail Limited** ("the Company"), which comprise the Balance Sheet as at 31 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 Standalone 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 judgments 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 Standalone 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 Standalone Financial Statements based on our audit.

In conducting 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 and the Order issued under Section 143(11) of the Act.

We conducted our audit of the Standalone 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 Standalone Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone 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 Standalone 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 Standalone Financial Statements.

We believe that the audit evidence obtained by us 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 Standalone 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Report on other legal and regulatory requirements

1. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid Standalone 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 of the Company as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 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 “A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements as referred to in Note 29 (a) (iii) to the Standalone Financial Statements;
  - 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.
2. 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 “B”, a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For D T S & Associates**  
Chartered Accountants  
(Firm’s Registration No. 142412W)

**For Deloitte Haskins and Sells LLP**  
Chartered Accountants  
(Firm’s Registration No. 117366W/W-100018)

**Ashish G. Mistry**  
Partner  
Membership No. 132639

**Ketan Vora**  
Partner  
Membership No. 100459

Mumbai  
Date: 25th April, 2018

Mumbai  
Date: 25th April, 2018

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on other legal and regulatory requirements’ section of our report of even date to the members of Reliance Retail Limited for the year ended 31 March 2018)

### **Report on the internal financial controls over financial reporting under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Reliance Retail Limited** (“the Company”) as of 31 March 2018 in conjunction with our audit of the Standalone 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 issued by the Institute of Chartered Accountants of India (the “Guidance Note”). 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 of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, 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

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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 31 March 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

**For D T S & Associates**

Chartered Accountants  
(Firm's Registration No. 142412W)

**Ashish G. Mistry**

Partner  
Membership No. 132639

Mumbai  
Date: 25th April, 2018

**For Deloitte Haskins and Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Ketan Vora**

Partner  
Membership No. 100459

Mumbai  
Date: 25th April, 2018

**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 2 under ‘Report on other legal and regulatory requirements’ section of our report of even date to the members of Reliance Retail Limited for the year ended 31 March 2018)

- i. In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds provided to us, we report that, the title deeds, comprising all the immovable properties of lands which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements for the said lands are in the name of the Company.
- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on 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.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- vi. The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it to the 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 31 March 2018 for a period of more than six months from the date they became payable.
  - b) Details of dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31 March 2018 on account of disputes are given below:

Name of the Statute	Nature of Dues	Amount (Rs. in crore)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956 and Sales Tax Act of various states	Sales Tax/ Value Added Tax and Entry Tax	0.11	2009-10	Sales Tax Appellate Tribunal
		0.26	2008-09	High Court
Central Excise Act, 1944	Excise Duty	3.98	2010-11 to 2012-13	Customs, Excise and Service Tax Appellate Tribunal
<b>TOTAL</b>		<b>4.35</b>		

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- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans to banks and dues to debenture holders. The Company has not borrowed any funds from financial institutions or government.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the term loans have been applied for the purpose for which they were raised.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company has been noticed or reported during the year except there have been instances of defalcation / frauds by employees on the Company which individually and in aggregate are not material.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence, and hence provisions of Section 192 of the Act, are not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For D T S & Associates**

Chartered Accountants  
(Firm's Registration No. 142412W)

**Ashish G. Mistry**

Partner  
Membership No. 132639

Mumbai

Date: 25th April, 2018

**For Deloitte Haskins and Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Ketan Vora**

Partner  
Membership No. 100459

Mumbai

Date: 25th April, 2018

## Balance Sheet as at 31st March, 2018

	Notes	As at 31st March, 2018	₹ crore As at 31st March, 2017
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	1	3,100.61	2,245.88
Capital Work-in-Progress	1	2,007.78	434.18
Intangible Assets	1	58.34	10.05
Intangible Assets under Development	1	2,138.58	290.65
		<u>7,305.31</u>	<u>2,980.76</u>
Financial Assets			
Investments	2	534.41	486.28
Loans	3	462.47	53.39
Deferred Tax Assets (net)	4	620.38	851.85
Other Non-Current Assets	5	209.39	146.30
		<u>9,131.96</u>	<u>4,518.58</u>
<b>Total Non-Current Assets</b>			
<b>Current Assets</b>			
Inventories	6	10,465.28	5,096.68
Financial Assets			
Investments	7	-	340.00
Trade Receivables	8	2,215.72	730.09
Cash and Cash Equivalents	9	156.12	252.31
Other Financial Assets	10	267.21	232.33
Other Current Assets	11	1,848.12	502.43
		<u>14,952.45</u>	<u>7,153.84</u>
<b>Total Current Assets</b>			
<b>Total Assets</b>			
		<u><u>24,084.41</u></u>	<u><u>11,672.42</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	12	4,989.54	4,989.54
Other Equity	13	4,076.92	1,830.03
		<u>9,066.46</u>	<u>6,819.57</u>
<b>Total Equity</b>			
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	14	-	0.22
Provisions	15	21.46	19.85
		<u>21.46</u>	<u>20.07</u>
<b>Total Non-Current Liabilities</b>			
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	16	3,447.80	27.48
Trade Payables	17	8,231.87	3,926.68
Other Financial Liabilities	18	2,811.94	287.67
Provisions	19	1.43	5.87
Other Current Liabilities	20	503.45	585.08
		<u>14,996.49</u>	<u>4,832.78</u>
<b>Total Current Liabilities</b>			
<b>Total Liabilities</b>			
		<u><u>15,017.95</u></u>	<u><u>4,852.85</u></u>
<b>Total Equity and Liabilities</b>			
		<u><u>24,084.41</u></u>	<u><u>11,672.42</u></u>

Significant Accounting Policies

See accompanying Notes to the Financial Statements **1 to 36**

As per our Report of even date

For **D T S & Associates**  
Chartered Accountants

**Ashish G. Mistry**  
Partner

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Ketan Vora**  
Partner

For and on behalf of the Board

**V. Subramaniam**  
Whole-Time Director

**Pankaj Pawar**  
Director

**Sanjay Jog**  
Director

**K Sudarshan**  
Director

**Ranjit V Pandit**  
Director

**Ashwin Khasgiwala**  
Chief Financial Officer

**K Sridhar**  
Company Secretary

Mumbai  
Dated : 25th April, 2018



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

	Notes	2017-18	₹ crore 2016-17
<b>INCOME</b>			
Value of Sales		52,815.75	23,577.39
Income from Services		5,521.27	3,284.55
Value of Sales & Services (Revenue)		58,337.02	26,861.94
Less: GST/Service Tax recovered		6,880.85	424.26
Revenue from Operations		51,456.17	26,437.68
Other Income	21	45.56	35.45
<b>Total Income</b>		<b>51,501.73</b>	<b>26,473.13</b>
<b>EXPENSES</b>			
Cost of Materials Consumed		11.69	333.17
Purchases of Stock-in-Trade		49,774.06	20,916.93
Changes in Inventories of Finished Goods and Stock-in-Trade	22	(5,372.06)	152.43
Employee Benefits Expense	23	719.93	642.14
Finance Costs	24	100.96	77.27
Depreciation and Amortisation Expense	1	434.22	368.57
Other Expenses	25	3,958.25	3,229.80
<b>Total Expenses</b>		<b>49,627.05</b>	<b>25,720.31</b>
<b>Profit before Tax</b>		<b>1,874.68</b>	<b>752.82</b>
<b>Tax expenses</b>			
Current Tax	26	4 00.07	160.65
Deferred Tax	4	2 31.47	149.57
		<b>631.54</b>	<b>310.22</b>
<b>Profit for the Year</b>		<b>1,243.14</b>	<b>442.60</b>
<b>Other Comprehensive Income</b>			
i. Items that will not be reclassified to Profit or Loss	23.1	4.77	(2.64)
ii. Income tax relating to items that will not be reclassified to Profit or Loss		1.02	(0.56)
<b>Total Other Comprehensive Income for the Year (Net of Tax)</b>		<b>3.75</b>	<b>(2.08)</b>
<b>Total Comprehensive Income for the Year</b>		<b>1,246.89</b>	<b>440.52</b>
<b>Earnings per Equity Share of face value of ₹ 10 each</b>			
Basic (in ₹)	28	2.34	0.83
Diluted (in ₹)	28	2.29	0.83
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1 to 36		

As per our Report of even date

For **D T S & Associates**  
Chartered Accountants**Ashish G. Mistry**  
PartnerFor **Deloitte Haskins & Sells LLP**  
Chartered Accountants**Ketan Vora**  
Partner

For and on behalf of the Board

**V. Subramaniam**  
Whole-Time Director**Pankaj Pawar**  
Director**Sanjay Jog**  
Director**K Sudarshan**  
Director**Ranjit V Pandit**  
Director**Ashwin Khasgiwala**  
Chief Financial Officer**K Sridhar**  
Company SecretaryMumbai  
Dated : 25th April, 2018

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

### A. Equity Share Capital

₹ crore				
Balance at the beginning of the reporting period i.e. 1st April, 2016	Changes in equity share capital during the year 2016-17	Balance at the end of the reporting period i.e. 31st March, 2017	Changes in equity share capital during the year 2017-18	Balance at the end of the reporting period i.e. 31st March, 2018
4,989.54	-	4,989.54	-	4,989.54

### B. Other Equity

	Instruments Classified as Equity		Reserves & Surplus					Other Comprehensive Income	₹ crore Total
	8.5% Non Cumulative Optionally Convertible Preference Shares of ₹ 10 each, ₹ 2.50 paid up	Compulsorily Convertible Debentures of ₹ 10,00,000 each, fully paid up	Capital Reserve	Securities Premium	Debenture Redemption Reserve	Retained Earnings	Total Reserves		
<b>As on 31st March, 2017</b>									
Balance at the beginning of reporting period i.e. 1st April, 2016	-	75.00	55.11	-	1.81	1,003.33	1,060.25	(0.74)	1,134.51
Transferred From / (to) Debenture Redemption Reserve	-	-	-	-	(1.81)	1.81	-	-	-
Issue of Convertible Instruments <sup>(i)</sup>	-	330.00	-	-	-	-	-	-	330.00
Redemption of Convertible Instruments	-	75.00	-	-	-	-	-	-	75.00
Total Comprehensive income for the year	-	-	-	-	-	442.60	442.60	(2.08)	440.52
Balance at the end of reporting period i.e. 31st March, 2017	-	<b>330.00</b>	<b>55.11</b>	-	-	<b>1,447.74</b>	<b>1,502.85</b>	<b>(2.82)</b>	<b>1,830.03</b>
<b>As on 31st March, 2018</b>									
Balance at the beginning of reporting period i.e. 1st April, 2017	-	330.00	55.11	-	-	1,447.74	1,502.85	(2.82)	1,830.03
Issue of Optionally Convertible - Preference Shares <sup>(iii)</sup>	200.00	-	-	800.00	-	-	800.00	-	1,000.00
Total Comprehensive income for the year	-	-	-	-	-	1,243.14	1,243.14	3.75	1,246.89
Balance at the end of reporting period i.e. 31st March, 2018	<b>200.00</b>	<b>330.00</b>	<b>55.11</b>	<b>800.00</b>	-	<b>2,690.88</b>	<b>3,545.99</b>	<b>0.93</b>	<b>4,076.92</b>

As per our Report of even date

For **D T S & Associates**  
Chartered Accountants**Ashish G. Mistry**  
PartnerMumbai  
Dated : 25th April, 2018For **Deloitte Haskins & Sells LLP**  
Chartered Accountants**Ketan Vora**  
Partner

For and on behalf of the Board

**V. Subramaniam**  
Whole-Time Director**Pankaj Pawar**  
Director**Sanjay Jog**  
Director**K Sudarshan**  
Director**Ranjit V Pandit**  
Director**Ashwin Khasgiwala**  
Chief Financial Officer**K Sridhar**  
Company Secretary

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

	2017-18	₹ crore 2016-17
<b>A: CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax as per Statement of Profit and Loss	1,874.68	752.82
<b>Adjusted for:</b>		
(Profit)/ Loss on Sale/ Discard of Property, Plant and Equipment (Net)	8.24	41.12
Provision for Doubtful Debts/ Bad Debts Written Off	-	(2.99)
Depreciation and Amortisation Expense	434.22	368.57
Effect of Exchange Rate Change	94.88	21.18
Net Gain on Financial Assets	(12.16)	(9.08)
Interest Income	(25.84)	(26.37)
Finance Costs	100.96	77.27
	<u>600.30</u>	<u>469.70</u>
<b>Operating Profit before Working Capital Changes</b>	<b>2,474.98</b>	<b>1,222.52</b>
<b>Adjusted for:</b>		
Trade and Other Receivables	(2,861.97)	(593.01)
Inventories	(5,368.60)	152.89
Trade and Other Payables	6,713.32	1,493.42
	<u>(1,517.25)</u>	<u>1,053.30</u>
<b>Cash Generated from Operations</b>	<b>957.73</b>	<b>2,275.82</b>
Taxes Paid (Net)	(459.61)	(64.85)
<b>Net Cash Flow from Operating Activities</b>	<b>498.12</b>	<b>2,210.97</b>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment and Intangible Assets	(4,862.64)	(796.07)
Proceeds from disposal of Property, Plant and Equipment and Intangible Assets	31.49	2.07
Investment in Subsidiaries/Joint Ventures	(2.50)	(2.50)
Disposal of Investments in Subsidiaries	-	1.05
Purchase of Other Investments	(5,781.30)	(6,244.06)
Proceeds from Sale of Financial Assets	6,087.83	5,913.12
Net Cash Flow From Other Financial Assets	(409.08)	(21.82)
Interest Income	23.66	25.39
<b>Net Cash Flow used in Investing Activities</b>	<b>(4,912.54)</b>	<b>(1,122.82)</b>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Borrowings - Non Current	(1.11)	(1.46)
Proceeds from Issue of Preference Share	1,000.00	-
Borrowings - Current (Net)	3,420.32	(804.41)
Interest Paid	(100.98)	(77.57)
<b>Net Cash Flow from / (Used in) Financing Activities</b>	<b>4,318.23</b>	<b>(883.44)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(96.19)</b>	<b>204.71</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>252.31</b>	<b>47.60</b>
<b>Closing Balance of Cash and Cash Equivalents (Refer Note "9")</b>	<b>156.12</b>	<b>252.31</b>

As per our Report of even date

For D T S & Associates  
Chartered AccountantsAshish G. Mistry  
PartnerFor Deloitte Haskins & Sells LLP  
Chartered AccountantsKetan Vora  
Partner

For and on behalf of the Board

V. Subramaniam  
Whole-Time DirectorPankaj Pawar  
DirectorSanjay Jog  
DirectorK Sudarshan  
DirectorRanjit V Pandit  
DirectorAshwin Khasgiwala  
Chief Financial OfficerK Sridhar  
Company SecretaryMumbai  
Dated : 25th April, 2018

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

### A. Corporate Information

Reliance Retail Limited (“the Company”) is a limited company incorporated in India having its registered office at 3<sup>rd</sup> floor, Court House, Lokmanya Tilak Marg, Dhobi Talao, Mumbai 400 002, India. The Company’s immediate holding Company is Reliance Retail Ventures Limited and Ultimate holding company is Reliance Industries Limited. The Company is engaged in organised retail spanning across various consumption baskets primarily catering to Indian consumers.

### 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 (including derivative instruments),
- ii) Defined Benefit Plans - Plan Assets and
- iii) Equity settled Share Based Payments

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 also its functional currency and all values are rounded to the nearest crore (₹ 00,00,000), except when otherwise indicated.

#### B.2 Summary of Significant Accounting Policies

##### (a) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow the entity and the cost can be measured reliably.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work-in-Progress.

Depreciation on Property, Plant and Equipment is provided on straight line method and based on useful life of the assets in compliance with Schedule II to the Companies Act, 2013. Leasehold improvements are amortized over the lower of estimated useful life or lease period; on assets acquired under finance lease depreciation is provided over the lease term.

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

##### (b) Leases

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

##### Leased assets

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company’s general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the

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

Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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.

### (c) Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation / depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Intangible Assets Under Development.

Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Computer software is amortised over a period of 5 years on a straight line basis.

### (d) Research and Development Expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised.

### (e) Finance Cost

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

### (f) Inventories

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

Costs of inventories are determined on weighted average basis except Gold and silver is determined on FIFO basis.

Inventories of Gold / Silver are adjusted with gains / loss on qualifying fair value hedges.

### (g) Impairment of Non-Financial Assets - Property, Plant and Equipment and Intangible Assets

The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and intangible assets or group of assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

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

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### (h) 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.

### (i) Employee Benefits

#### 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.

#### 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, Superannuation Fund and Pension Scheme.

The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

##### Defined Benefit Plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by appropriate Income Tax Authorities.

The liability in respect of gratuity 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.

Re-measurement of Defined Benefit Plans in respect of post-employment are charged to the Other Comprehensive Income.

### (j) Tax Expenses

The tax expense for the period comprises current tax and deferred Income Tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity. In which case, the tax is also recognised in other comprehensive income and equity.

#### i) Current Tax

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

#### ii) Deferred Tax

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the

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

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.

### (k) Share Based Payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to Share Based Payments Reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

### (l) Foreign Currencies Transactions and Translation

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

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

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

### (m) 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.

#### Dividend Income

Dividend Income is recognised when the Company's right to receive the amount has been established.

### (n) Financial Instruments

#### i) Financial Assets

##### A. Initial Recognition and Measurement

All Financial Assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss, are added to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

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

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

#### 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 measured at FVTPL.

### C. Investment in Subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in Subsidiaries, associates and joint venture at cost less impairment loss (if any).

### D. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

### E. 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 the 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 borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

##### B. Subsequent Measurement

Financial Liabilities are carried at amortized cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

##### iii) Derivative Financial Instruments and Hedge Accounting

The Company uses various derivative financial instruments such as currency forwards and commodity contracts to mitigate



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

the risk of changes in exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as Financial Assets when the fair value is positive and as Financial Liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except in case where the related underlying is held as inventory, in which case, they are adjusted to the carrying cost of inventory.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

### A. Cash Flow Hedge

The Company designates derivative contracts or non-derivative Financial Assets / Liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of Other Comprehensive Income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

### B. Fair Value Hedge

The company designates derivative contracts as fair value hedges to mitigate the risk of change in fair value of hedged item due to movement in commodity rates and foreign exchange rates.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the income statement. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item is amortised in Statement of Profit and Loss over the period of maturity.

### iv) Derecognition of Financial Instruments

The Company derecognizes a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for derecognition under Ind AS 109. A Financial Liability (or a part of a Financial Liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expired.

### v) Offsetting

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## C. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the Company's Financial Statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

### (a) Depreciation / Amortisation and Useful Lives of Property, Plant and Equipment / Intangible Assets

Property, Plant and Equipment / Intangible Assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

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

### (b) Recoverability of Trade Receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include assessing the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

### (c) 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. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

### (d) 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, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (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.

### (e) Impairment of Financial Assets

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

## D. Standards Issued but not Effective

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

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

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

### (b) Amendment to Existing issued Ind AS

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

- i. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
- ii. Ind AS 40 - Investment Property
- iii. Ind AS 12 - Income Taxes
- iv. Ind AS 28 - Investments in Associates and Joint Ventures and
- v. Ind AS 112 - Disclosure of Interests in Other Entities

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

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

### 1. Property, Plant and Equipment, Intangible Assets, Capital Work-in-Progress, and Intangible Assets under Development

₹ crore

Description	Gross Block				Depreciation/ Amortisation				Net Block	
	As at 1st April 2017	Additions	Deductions/ Adjustments	As at 31st March 2018	As at 1st April 2017	For the year	Deductions/ Adjustments	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
<b>Property, Plant and Equipment</b>										
<b>Own assets:</b>										
Leasehold land	37.72	-	12.43	<b>25.29</b>	5.06	0.32	0.99	<b>4.39</b>	<b>20.90</b>	32.66
Freehold land	14.21	-	-	<b>14.21</b>	-	-	-	-	<b>14.21</b>	14.21
Buildings	17.22	-	-	<b>17.22</b>	0.90	0.29	-	<b>1.19</b>	<b>16.03</b>	16.32
Plant and machinery	651.67	206.80	20.50	<b>837.97</b>	329.14	96.85	17.54	<b>408.45</b>	<b>429.52</b>	322.53
Electrical installations	763.20	232.11	4.12	<b>991.19</b>	328.08	95.27	2.01	<b>421.34</b>	<b>569.85</b>	435.12
Equipment	1,456.17	554.54	28.99	<b>1,981.72</b>	547.95	130.57	11.58	<b>666.94</b>	<b>1,314.78</b>	908.22
Furniture and fixtures	427.74	124.78	0.21	<b>552.31</b>	179.43	51.51	0.07	<b>230.87</b>	<b>321.44</b>	248.31
Vehicles	9.22	0.06	-	<b>9.28</b>	5.32	1.15	-	<b>6.47</b>	<b>2.81</b>	3.90
Leasehold improvements	607.35	202.56	10.42	<b>799.49</b>	342.93	50.43	4.94	<b>388.42</b>	<b>411.07</b>	264.42
<b>Sub-Total</b>	<b>3,984.50</b>	<b>1,320.85</b>	<b>76.67</b>	<b>5,228.68</b>	<b>1,738.81</b>	<b>426.39</b>	<b>37.13</b>	<b>2,128.07</b>	<b>3,100.61</b>	<b>2,245.69</b>
<b>Leased assets:</b>										
Leasehold plant and machinery	4.15	-	4.15	-	3.96	-	3.96	-	-	0.19
<b>Sub-Total</b>	<b>4.15</b>	<b>-</b>	<b>4.15</b>	<b>-</b>	<b>3.96</b>	<b>-</b>	<b>3.96</b>	<b>-</b>	<b>-</b>	<b>0.19</b>
<b>Total (i)</b>	<b>3,988.65</b>	<b>1,320.85</b>	<b>80.82</b>	<b>5,228.68</b>	<b>1,742.77</b>	<b>426.39</b>	<b>41.09</b>	<b>2,128.07</b>	<b>3,100.61</b>	<b>2,245.88</b>
<b>Intangible assets</b>										
Software	12.84	56.12	-	<b>68.96</b>	2.79	7.83	-	<b>10.62</b>	<b>58.34</b>	10.05
<b>Total (ii)</b>	<b>12.84</b>	<b>56.12</b>	<b>-</b>	<b>68.96</b>	<b>2.79</b>	<b>7.83</b>	<b>-</b>	<b>10.62</b>	<b>58.34</b>	<b>10.05</b>
<b>Total (i+ii)</b>	<b>4,001.49</b>	<b>1,376.97</b>	<b>80.82</b>	<b>5,297.64</b>	<b>1,745.56</b>	<b>434.22</b>	<b>41.09</b>	<b>2,138.69</b>	<b>3,158.95</b>	<b>2,255.93</b>
<b>Previous year</b>	3,474.15	638.19	110.85	4,001.49	1,444.66	368.56	67.66	1,745.56	2,255.93	
<b>Capital Work-in-Progress</b>									<b>2,007.78</b>	434.18
<b>Intangible Assets Under Development</b>									<b>2,138.58</b>	290.65

1.1 Capital Work-in-Progress and Intangible Assets Under Development includes:

- ₹ 335.28 crore (Previous Year ₹ 373.60 crore) on account of Capital Goods Inventory.
- ₹ 2,138.58 crore (Previous Year ₹ 290.65 crore) on account of Project Development Expenditure.

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

2. Investments - Non-Current	As at		₹ crore	
	31st March, 2018	31st March, 2017	As at	As at
	Units	₹ crore	Units	₹ crore
<b>Investments measured at Amortised Cost</b>				
<b>Government and other Securities - Unquoted</b>				
6 Years National Savings Certificates (Deposited with Sales Tax Department and Other Government Authorities)		0.29		0.20
<b>Total of Investments measured at Amortised Cost</b>		<b>0.29</b>		<b>0.20</b>
<b>Investments measured at Cost</b>				
<b>In Equity Shares of Subsidiary Companies - Unquoted, Fully paid up</b>				
Reliance Petro Marketing Limited of ₹ 10 each	50,000	0.05	50,000	0.05
Reliance-GrandOptical Private Limited of ₹ 10 each	50,000	0.05	50,000	0.05
Reliance Clothing India Private Limited of ₹ 10 each	50,000	0.05	50,000	0.05
		<b>0.15</b>		<b>0.15</b>
<b>In Equity Shares of Joint Venture Companies - Unquoted, Fully Paid Up</b>				
Reliance-Vision Express Private Limited of ₹ 10 each	8,95,00,000	89.50	8,70,00,000	87.00
Marks and Spencer Reliance India Private Limited (Class A Shares of ₹ 10 each)	81,42,722	55.87	81,42,722	55.87
Marks and Spencer Reliance India Private Limited (Class C Shares of ₹ 5 each)	9,51,16,546	225.66	9,51,16,546	225.66
Reliance-GrandVision India Supply Private Limited of ₹ 10 each	1,35,00,000	13.50	1,35,00,000	13.50
		<b>384.53</b>		<b>382.03</b>
<b>In Preference Shares of Subsidiary Companies Unquoted, Fully Paid up</b>				
Reliance Petro Marketing Limited of ₹ 10 each (10% Non Cumulative Optionally Convertible Preference Shares)	39,95,800	103.89	39,95,800	103.89
		<b>103.89</b>		<b>103.89</b>
<b>Total of Investments measured at Cost</b>		<b>488.57</b>		<b>486.07</b>
<b>Investments measured at Fair Value through Other Comprehensive Income</b>				
<b>In Equity Shares - Unquoted, Fully Paid up</b>				
KaiOS Technologies Inc (KTI) of USD 0.01 each	19,04,781	45.55	-	-
<b>Total of Investments measured at Fair Value through Other Comprehensive Income</b>		<b>45.55</b>		<b>-</b>
<b>Investments Measured at Fair Value Through Profit and Loss</b>				
In Equity Shares - Unquoted, Fully Paid up (₹ 5,000)		0.00		0.01
<b>Total of Investments Measured at Fair Value Through Profit and Loss</b>		<b>0.00</b>		<b>0.01</b>
<b>Total Investments - Non-Current</b>		<b>534.41</b>		<b>486.28</b>
<b>Aggregate amount of Unquoted Investments</b>		<b>534.41</b>		<b>486.28</b>

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

	As at 31st March, 2018	₹ crore As at 31st March, 2017
<b>2.1 Category-wise Investment - Non-Current</b>		
Financial Assets Measured at Amortised Cost	0.29	0.20
Financial Assets Measured at Cost	488.57	486.07
Financial Assets Measured at Fair value Through Other Comprehensive Income	45.55	-
Financial Assets Measured at Fair value Through Profit and Loss	0.00	0.01
<b>Total Investment - Non-Current</b>	<b>534.41</b>	<b>486.28</b>

	As at 31st March, 2018	₹ crore As at 31st March, 2017
<b>3. Loans - Non-Current (Unsecured and Considered Good)</b>		
Loans and Advances to Related Parties (Refer note 32(ii))	462.47	53.39
	<b>462.47</b>	<b>53.39</b>

<b>3.1 Loans and Advances in the Nature of Loans Given to Subsidiaries / Fellow Subsidiaries</b>					₹ crore
Sr No	Name of the Company	As at 31st March, 2018	Maximum Balance during the year	As at 31st March, 2017	Maximum Balances during the year
1	Reliance Clothing India Private Limited	60.15	60.15	53.39	53.39
2	Reliance Brands Limited	402.32	402.32	-	-
	<b>Total</b>	<b>462.47</b>	<b>462.47</b>	<b>53.39</b>	<b>53.39</b>

(i) All the above loans and advances have been given for business purposes.

(ii) Loans and Advances shown above, fall under the category of 'Loans - Non-Current' and are re-payable within 3-5 years.

<b>4. Deferred Tax Assets (Net)</b>	As at 31st March, 2018	₹ crore As at 31st March, 2017
The movement on the deferred tax account is as follows:		
At the start of the year	851.85	1,001.42
Charge / (Credit) to Statement of Profit and Loss (Note 26)	231.47	149.57
<b>At the end of year</b>	<b>620.38</b>	<b>851.85</b>

Component of Deferred tax Assets / (Liabilities)

	As at 31st March, 2017	Charge / Credit to Statement of Profit and Loss	As at 31st March, 2018
<b>Deferred tax Asset / (Liabilities) in relation to:</b>			
Property, Plant and Equipment and Intangible Asset	75.00	94.88	(19.88)
Carried Forward Losses	767.74	140.87	626.87
Financial Assets	9.11	(4.28)	13.39
	<b>851.85</b>	<b>231.47</b>	<b>620.38</b>

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

	As at 31st March, 2018	As at 31st March, 2017
<b>5. Other Non-Current Assets</b> <i>(Unsecured and Considered Good)</i>		
Capital Advances	22.63	16.02
Deposits <sup>(i)</sup>	4.82	6.99
Advance Income Tax (Net of Provision) <sup>(ii)</sup>	181.16	122.64
Other Loans and Advances <sup>(iii)</sup>	0.78	0.65
<b>Total</b>	<b>209.39</b>	<b>146.30</b>
<sup>(i)</sup> Deposits Given to Statutory Authorities		
<sup>(ii)</sup> <b>Advance Income Tax (Net of Provision)</b>		
At start of year	122.64	217.88
Charge for the year - Current Tax	(400.07)	(160.65)
Others *	(1.02)	0.56
Tax paid (Net) during the year	459.61	64.85
At end of Year	<b>181.16</b>	<b>122.64</b>
* Pertains to Provision for Tax on Other Comprehensive Income		
<sup>(iii)</sup> Represents Loan to Employees.		
<b>6. Inventories</b> <i>(Valued at Lower of Cost or Net Realisable Value)</i>		
Raw Materials	0.64	3.83
Finished Goods	0.02	41.83
Stock-in-Trade*	10,409.32	4,995.45
Stores and Spares	55.30	55.57
<b>Total</b>	<b>10,465.28</b>	<b>5,096.68</b>
* Some amount of Inventories are valued at net realisable value and the charge for the same is included under purchases of Stock-in-Trade in statement of Profit and Loss.		
<b>7. Investments - Current</b>		
<b>Investments Measured at Fair Value Through Profit and Loss</b>		
In Mutual Funds - Unquoted	-	340.00
<b>Total</b>	<b>-</b>	<b>340.00</b>
<b>Aggregate Amount of Unquoted Investments</b>	<b>-</b>	<b>340.00</b>
<b>8. Trade Receivables</b> <i>(Unsecured and Considered Good)</i>		
Trade Receivables	2,215.72	730.09
<b>Total</b>	<b>2,215.72</b>	<b>730.09</b>

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

	As at 31st March, 2018	₹ crore As at 31st March, 2017
<b>9. Cash and Cash Equivalents</b>		
Cash on Hand	52.63	41.88
Balances with Banks <sup>(i), (ii) &amp; (iii)</sup>	103.49	210.43
<b>Cash and Cash Equivalents as per Balance Sheet/ Standalone Statement of Cash Flows</b>	<b>156.12</b>	<b>252.31</b>
<sup>(i)</sup> Includes Deposits ₹ 25.16 crore (Previous year ₹ 0.21 crore) with maturity period of more than 12 months.		
<sup>(ii)</sup> Includes Deposits ₹ 65.05 crore (Previous year ₹ 54.58 crore) held by Tax Authority as security and by bank as margin money for bank guarantees, forward contracts and working capital loan.		
<sup>(iii)</sup> Includes Deposits ₹ 4.75 crore (Previous year ₹ 4.75 crore) held as Deposit Reserve Fund		
9.1 Cash and Cash Equivalents include 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.		
<b>10. Other Financial Assets - Current</b>		
Interest Accrued on Investment	0.10	0.09
Deposits	199.51	198.85
Others <sup>(i)</sup>	67.60	33.39
<b>Total</b>	<b>267.21</b>	<b>232.33</b>
<sup>(i)</sup> Others include Fair Value of Derivatives & Interest receivable.		
<b>11. Other Current Assets (Unsecured and Considered Good)</b>		
Balance with Customs, Central Excise, GST and State Authorities	1,507.39	169.98
Others <sup>(i)</sup>	340.73	332.45
<b>Total</b>	<b>1,848.12</b>	<b>502.43</b>
<sup>(i)</sup> Includes Advances to Employees and Vendors.		
<b>12. Share Capital</b>		
<b>Authorised Share Capital</b>		
1350,00,00,000 Equity Shares of ₹ 10 each (1350,00,00,000)	13,500.00	13,500.00
150,00,00,000 Preference Shares of ₹ 10 each (150,00,00,000)	1,500.00	1,500.00
<b>Total</b>	<b>15,000.00</b>	<b>15,000.00</b>
<b>Issued, Subscribed and Paid up</b>		
498,95,41,650 Equity Shares of ₹ 10 each Fully Paid up (498,95,41,650)	4,989.54	4,989.54
<b>Total</b>	<b>4,989.54</b>	<b>4,989.54</b>
(i) Out of above 498,70,26,060 (Previous year 498,70,26,060) Equity Shares of ₹ 10 each Fully Paid-up are held by Reliance Retail Ventures Limited, the holding company along with others.		
(ii) Represents 498,95,41,650 (Previous year 498,95,41,650) Equity Shares of ₹ 10 each Fully Paid-up were allotted pursuant to the Scheme of Arrangement and Amalgamation without payment being received in cash.		

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

(iii) The details of Shareholder Holding more than 5% Shares :

Name of the Shareholder	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	% held	No. of Shares	% held
Reliance Retail Ventures Limited (Holding Company)	498,70,26,060	99.95	498,70,26,060	99.95

(iv) The Reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of shares		No. of shares	
Equity Shares at the beginning of the year	498,95,41,650		498,95,41,650	
Add: Equity Shares issued during the year	-		-	
Equity Shares at the end of the year	498,95,41,650		498,95,41,650	

(v) The Company is authorised to issue up to forty nine crore Restricted Stock Units (RSUs) to eligible employees under Reliance Retail Restricted Stock Unit Plan 2007. The RSUs vest on different dates over a period of sixteen years from the date of grant of RSUs as per the scheme and upon vesting, the employees are entitled to three equity shares of ₹ 10 each for every five RSUs. As on March 31, 2018, RSUs in force total to seventeen lakh sixty nine thousand eight hundred ninety four (Previous year seventeen lakh sixty nine thousand eight hundred ninety four).

(vi) 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.

13. Other Equity	₹ crore	
	As at 31st March, 2018	As at 31st March, 2017
<b>Instruments Classified as Equity</b>		
8.5% Non-Cumulative Optionally Convertible Preference Shares of ₹10 each, ₹ 2.5 paid up	200.00	-
Compulsorily Convertible Debentures of ₹ 10,00,000 each, fully paid up	330.00	330.00
	<b>530.00</b>	330.00
<b>Capital Reserve</b>		
As per last Balance Sheet	55.11	55.11
<b>Securities Premium Reserve</b>		
As per last Balance Sheet	-	-
Add : On issue of 8.5% Non-Cumulative Optionally Convertible Preference Shares	800.00	-
	<b>800.00</b>	-
<b>Debenture Redemption Reserve</b>		
As per last Balance Sheet	-	(1.81)
Transferred to Retained Earnings	-	1.81
	-	-



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

13. Other Equity (Continued)	As at		₹ crore
	31st March, 2018	31st March, 2017	As at 31st March, 2017
<b>Retained Earnings</b>			
As per last Balance Sheet	1,447.74	1,003.33	
Add: Profit for the year	1,243.14	442.60	
Transferred from Debenture Redemption Reserve	-	1.81	
	<b>2,690.88</b>		1,447.74
<b>Other Comprehensive Income (OCI)</b>			
As per last Balance Sheet	(2.82)	(0.74)	
Add: Movement in OCI (Net) during the year	3.75	(2.08)	
	<b>0.93</b>		(2.82)
<b>Total</b>	<b>4,076.92</b>		<b>1,830.03</b>

13.1 Each Compulsorily Convertible Debentures of face value of ₹ 10,00,000 each shall be converted in to 1,00,000 preference shares of ₹ 10 each at the end of 10 years from the date of allotment of CCDs. Each preference share, arising out of conversion of CCD, shall at the end of 20 years from the date of allotment of preference shares, be converted into one equity share of ₹ 10/- each.

### 13.2 Details of Shareholder's holding more than 5% Preference Shares

(8.5% Non Cumulative Optionally Convertible Preference Shares)

Name of the Shareholders	As at		As at	
	No. of Shares	% held	No. of Shares	% held
Reliance Retail Ventures Limited (Holding Company)	79,99,89,606	99.99%	-	-

### 13.3 Terms of 8.5% Non Cumulative Optionally Convertible Preference Shares

The OCPS shall be either redeemed at ₹ 50 per share or converted into 5 (Five) Equity Shares of ₹ 10 each at any time at the option of the Company, but not later than 10 years from the date of allotment of the OCPS i.e February 17, 2018.

### 13.4 Rights, Preferences and Restrictions attached to Preference Shares

The Company has one class of Preference Shares i.e. 8.5% Non Cumulative Optionally Convertible Preference Shares (OCPS) of Rs.10/- per share. Such Preference Shares shall carry a preferential right over the Equity shares of the Company as regards to payment of dividend and repayment of capital, in the event of winding – up of the Company. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. The OCPS shall carry voting rights prescribed under the provisions of the Companies Act, 2013

### 13.5 The reconciliation of the number of 8.5% Non Cumulative Optionally Convertible Preference Shares outstanding is set out below :

Particulars	As at		As at	
	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Preference Shares at the beginning of the year	-	-	-	-
Add: Preference Shares issued during the year	80,00,00,000	-	-	-
Preference Share Outstanding at the end of the year	<b>80,00,00,000</b>			

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

	As at 31st March, 2018	₹ crore As at 31st March, 2017
<b>14. Borrowings - Non-Current</b>		
<b>Secured - At Amortised Cost</b>		
Term Loans from Banks <sup>(i)</sup>	-	0.22
<b>Total</b>	<u>-</u>	<u>0.22</u>
<sup>(i)</sup> Term loans are secured by hypothecation of vehicles and are repayable over a period of 2 years by way of equated monthly instalments.		
<b>15. Provisions - Non-Current</b>		
Provision for Employee Benefits (Refer Note 23.1) <sup>(i)</sup>	21.46	19.85
<b>Total</b>	<u>21.46</u>	<u>19.85</u>
<sup>(i)</sup> The Provision for Employee Benefit includes gratuity, annual leave and vested long service leave entitlement accrued and compensation claims made by employees.		
<b>16. Borrowings - Current</b>		
<b>Secured - at Amortised Cost</b>		
<b>Working Capital Loans</b>		
From Banks <sup>(i)</sup>	418.89	20.48
<b>Unsecured - at Amortised Cost</b>		
From Banks	62.34	-
From Others		
Loans and Advances from Related Parties <sup>(ii)</sup> [Refer Note 32(ii)]	-	7.00
Commercial Paper <sup>(iii)</sup>	2,966.57	-
<b>Total</b>	<u>3,447.80</u>	<u>27.48</u>
<sup>(i)</sup> Working Capital Loans from Banks referred above to the extent of: - ₹ 382.02 crore (Previous year ₹ 20.48 crore) are secured by way of first charge on all the current assets of the company. - ₹ 36.87 crore (Previous year ₹ nil) are secured by way of lien on Fixed Deposits.		
<sup>(ii)</sup> Represents from Holding company.		
<sup>(iii)</sup> Maximum amount outstanding at any time during the year was ₹ 3,000 crore (Previous year ₹ 1,200 crore)		
<b>17. Trade Payables</b>		
Micro and Small Enterprises	24.77	4.41
Others	8,207.10	3,922.27
<b>Total</b>	<u>8,231.87</u>	<u>3,926.68</u>
17.1 There are no overdue amounts to Micro and Small Enterprises as at March 31, 2018 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.		

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

	As at 31st March, 2018	₹ crore As at 31st March, 2017
<b>18. Other Financial Liabilities - Current</b>		
Current Maturities of Borrowings - Non-Current	0.22	0.67
Interest Accrued but not due on Borrowings	0.02	0.04
Creditors for Capital Expenditure	36.96	94.48
Other Payables <sup>(i)</sup>	2,774.74	192.48
	<u>2,811.94</u>	<u>287.67</u>
<sup>(i)</sup> Includes Security Deposits Received & Financial Liability at fair value		
	As at 31st March, 2018	₹ crore As at 31st March, 2017
<b>19. Provisions - Current</b>		
Provision for Employee Benefits (Refer Note 23.1) <sup>(i)</sup>	1.43	1.36
Other Provisions <sup>(ii)</sup>	-	4.51
	<u>1.43</u>	<u>5.87</u>
<sup>(i)</sup> The provision for employee benefit includes gratuity, annual leave and vested long service leave entitlement accrued and compensation claims made by employees.		
<sup>(ii)</sup> Represents Provision for Excise Duty		
	As at 31st March, 2018	₹ crore As at 31st March, 2017
<b>20. Other Current Liabilities</b>		
Revenue Received in Advance	245.85	180.31
Other Payables <sup>(i) &amp; (ii)</sup>	257.60	404.77
	<u>503.45</u>	<u>585.08</u>
<sup>(i)</sup> Includes Statutory Dues and Advances from Customers.		
<sup>(ii)</sup> Includes ₹ 31.05 crore (Previous year ₹ 28.24 crore) received towards sale of Jewellery products under various sale initiatives/retail customer programmes.		
	2017-18	₹ crore 2016-17
<b>21. Other Income</b>		
<b>Interest</b>		
Bank Deposits	4.44	2.25
Debt Instruments	21.10	3.86
Others	0.30	20.26
	<u>25.84</u>	<u>26.37</u>
Realised Gain on Financial Assets	12.16	9.08
Other Non-Operating Income	7.56	-
<b>Total</b>	<u>45.56</u>	<u>35.45</u>

Above Other Income comprises of assets measured at amortised cost ₹ 25.59 crore (Previous year ₹ 6.45 crore) and Fair Value through Profit and Loss account ₹ 12.41 crore (Previous year ₹ 29 crore) and Other Non-Operating Income of ₹ 7.56 crore (Previous year ₹ Nil)

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

	2017-18	₹ crore 2016-17
<b>22. Changes in Inventories of Finished Goods and Stock-in-Trade</b>		
<b>Inventories (at close)</b>		
Finished Goods	0.02	41.83
Stock-in-Trade	<u>10,409.32</u>	<u>4,995.45</u>
	<b>10,409.34</b>	5,037.28
<b>Inventories (at commencement)</b>		
Finished Goods	41.83	84.09
Stock-in-Trade	<u>4,995.45</u>	<u>5,105.62</u>
	<b>5,037.28</b>	5,189.71
<b>Total</b>	<u><b>(5,372.06)</b></u>	<u>152.43</u>

	2017-18	₹ crore 2016-17
<b>23. Employee Benefits Expense</b>		
Salaries and Wages	577.30	518.07
Contribution to Provident Fund and Other Funds	38.43	31.64
Staff Welfare Expenses	<u>104.20</u>	<u>92.43</u>
<b>Total</b>	<u><b>719.93</b></u>	<u>642.14</u>

23.1 As per IND AS 19 "Employee Benefits", the disclosures as defined are given below :

### Defined Contribution Plan ₹ crore

Contribution to Defined Contribution Plan, recognised as expenses for the year is as under:

Particulars	2017-18	2016-17
Employer's Contribution to Provident Fund	14.83	13.44
Employer's Contribution to Superannuation Fund	0.09	0.11
Employer's Contribution to Pension Scheme	10.68	9.39

The Company's Provident Fund is exempted under section 17 of Employee's Provident Fund and Miscellaneous Provisions Act, 1952.

### Defined benefit plan

#### I. Reconciliation of opening and closing balances of Defined Benefit Obligation

Particulars	2017-18	₹ crore
		Gratuity (funded) 2016-17
Defined Benefit Obligation at beginning of the year	34.91	26.11
Current Service Cost	9.18	6.76
Interest Cost	2.60	2.09
Actuarial (Gain)/ Loss	(4.31)	2.93
Benefits Paid	(2.79)	(2.98)
<b>Defined Benefit Obligation at year end</b>	<b>39.59</b>	34.91

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

<b>II. Reconciliation of opening and closing balances of Fair Value of Plan Assets</b>		₹ crore	
		<b>Gratuity (funded)</b>	
		<b>2017-18</b>	2016-17
Fair Value of Plan Assets at beginning of the year	<b>34.91</b>		26.11
Expected Return on Plan Assets	<b>3.06</b>		2.38
Actuarial Gain/ (Loss)	-		-
Employer Contribution	<b>4.41</b>		9.40
Benefits Paid	<b>(2.79)</b>		(2.98)
Fair Value of Plan Assets at year end	<b>39.59</b>		34.91
Actual Return on Plan Asset	<b>3.06</b>		2.38
<b>III. Reconciliation of Fair Value of Assets and Obligations</b>		₹ crore	
		<b>Gratuity (funded)</b>	
		<b>2017-18</b>	2016-17
Fair Value of Plan Assets	<b>39.59</b>		34.91
Present Value of Obligation	<b>39.59</b>		34.91
Amount recognised in Balance Sheet (Surplus/ Deficit)	-		-
<b>IV. Expenses recognised during the year</b>		₹ crore	
		<b>Gratuity (funded)</b>	
		<b>2017-18</b>	2016-17
<b>In Income Statement</b>			
Current Service Cost	<b>9.18</b>		6.76
Interest Cost	<b>2.60</b>		2.09
Return on Plan Assets	<b>(2.60)</b>		(2.09)
Net Cost	<b>9.18</b>		6.76
<b>In Other Comprehensive Income</b>			
Actuarial (Gain)/ Loss	<b>(4.31)</b>		2.93
Return on Plan Assets	<b>(0.46)</b>		(0.29)
<b>Net (Income)/ Expense for the Period Recognised in OCI</b>	<b>(4.77)</b>		2.64
<b>V. Investment Details</b>		₹ crore	
		<b>As at</b>	
		<b>31st March, 2018</b>	
	<b>₹ crore</b>	<b>% Invested</b>	<b>₹ crore</b>
			<b>As at</b>
			<b>31st March, 2017</b>
			<b>₹ crore</b>
			<b>% Invested</b>
Insurance Policies	<b>39.25</b>	<b>99.14</b>	34.52
Others	<b>0.34</b>	<b>0.86</b>	0.39
<b>Total</b>	<b>39.59</b>	<b>100.00</b>	34.91
	<b>100.00</b>		<b>100.00</b>

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

### VI. Actuarial Assumptions

	Gratuity (funded)	
	2017-18 2006-08 (Ultimate)	2016-17 2006-08 (Ultimate)
Mortality Table (IALM)		
Discount Rate (per annum)	8.00%	7.46%
Expected Rate of Return on Plan Assets (per annum)	8.00%	7.46%
Rate of Escalation in Salary (per annum)	6.00%	6.00%
Rate of Employees Turnover (per annum)	2.00%	2.00%

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.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of Plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

VII. The expected contributions for Defined Benefit Plan for the next financial year will be in line with Financial year 2017-18.

### VIII. Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Particulars	₹ crore			
	As at 31st March, 2018		As at 31st March, 2017	
	Decrease	Increase	Decrease	Increase
Change in discounting rate (delta effect of +/- 0.5%)	2.17	2.37	1.83	2.00
Change in rate of salary increase (delta effect of +/- 0.5%)	2.22	2.41	1.86	2.02
Change in rate of employee turnover (delta effect of +/- 0.5%)	0.26	0.24	0.31	0.29

These plans typically expose the Company to Actuarial Risks such as: Investment Risk, Interest Risk, Longevity Risk and Salary Risk.

Investment Risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

24. Finance Costs	₹ crore	
	2017-18	2016-17
Interest Expenses	100.96	77.23
Other borrowing costs	-	0.04
<b>Total</b>	<b>100.96</b>	<b>77.27</b>

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

		₹ crore
	2017-18	2016-17
<b>25. Other Expenses</b>		
<b>Selling and Distribution Expenses</b>		
Sales Promotion and Advertisement Expenses	447.80	491.84
Store Running Expenses	603.50	505.56
Royalty	1.39	1.08
Brokerage & Commission	1,021.70	280.15
Warehousing and Distribution Expenses	398.03	338.90
	<b>2,472.42</b>	<b>1,617.53</b>
<b>Establishment Expenses</b>		
Stores and Packing Materials	98.41	99.34
Machinery Repairs	0.01	0.38
Building Repairs and Maintenance	92.54	89.73
Other Repairs	4.54	3.30
Rent including Lease Rentals	616.97	580.48
Insurance	35.26	29.86
Rates and Taxes	17.28	11.13
Travelling and Conveyance Expenses	44.20	33.83
Professional Fees	60.75	47.79
Loss on Sale/ Discarding of Assets (Net)	8.24	41.12
Exchange Differences (Net)	166.40	292.85
Bad Debts Written off	-	0.01
Provision for Doubtful Debts	-	(3.00)
	-	(2.99)
Electricity Expenses	158.65	155.02
Excise Duty <sup>(i)</sup>	-	6.78
Hire Charges	33.60	35.65
Charity and Donation	11.18	7.67
General Expenses	135.87	177.73
	<b>1,483.90</b>	<b>1,609.67</b>
<b>Payments to Auditor</b>		
Statutory Audit Fees	1.92	1.69
Tax Audit Fees	-	0.29
Certification and Consultation Fees	-	0.61
Cost Audit Fees	0.01	0.01
	<b>1.93</b>	<b>2.60</b>
<b>Total</b>	<b>3,958.25</b>	<b>3,229.80</b>

<sup>(i)</sup> Excise Duty shown under Establishment Expenses represents the aggregate of Excise Duty borne by the Company and difference between Excise Duty on opening and closing stock of finished Goods/Jewellery items.

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

### 25.1 Corporate Social Responsibility (CSR)

(a) CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the company during the year is ₹ 11.17 crore (previous year ₹ 7.67 crore). Expenditure related to Corporate Social Responsibility is ₹ 11.17 Crore (previous year ₹ 7.67 crore). Details of Amount spent towards CSR given below:

(b) The details of amount spent towards CSR given below :

Particulars	₹ crore	
	2017-18	2016-17
Rural Transformation	3.26	4.67
Education	-	3.00
Disaster Relief	3.23	-
Skilling and Employment Initiative	4.68	-
<b>Total</b>	<b>11.17</b>	<b>7.67</b>

(c) Represents amount spent through Reliance Foundation ₹ 11.17 crore (Previous year ₹ 7.67 crore)

### 26. Taxation

	₹ crore	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>Income Tax recognised in the Statement of Profit and Loss</b>		
Current tax	400.07	160.65
Deferred tax	231.47	149.57
<b>Total Income Tax Expenses recognised in the current year</b>	<b>631.54</b>	<b>310.22</b>

The Income Tax Expenses for the year can be reconciled to the accounting profit as follows:

Profit Before Tax	1,874.68	752.82
Applicable Tax Rate	34.608%	34.608%
Computed Tax Expense	648.79	260.54
<b>Tax Effect of :</b>		
Carry Forward Losses Utilised	(617.04)	(240.62)
Expenses Disallowed	161.32	148.45
Additional Allowances	(193.07)	(168.37)
MAT Credit Generated	400.07	160.65
<b>Current Tax Provision (A)</b>	<b>400.07</b>	<b>160.65</b>
Incremental Deferred Tax Liability on account of Property, Plant and Equipment and Intangible Assets	94.88	16.97
Incremental Deferred Tax Liability on account of Financial Assets & Other items	136.59	132.60
<b>Deferred Tax Provision (B)</b>	<b>231.47</b>	<b>149.57</b>
<b>Tax Expenses recognised in Statement of Profit and Loss (A+B)</b>	<b>631.54</b>	<b>310.22</b>
<b>Effective Tax Rate</b>	<b>33.69%</b>	<b>41.21%</b>

27. The Company is mainly engaged in 'Organised Retail' primarily catering to Indian consumers in various consumption baskets. All the activities of the Company revolve around this main business. Accordingly, the Company has only one identifiable segment reportable under Ind AS 108 "Operating Segment". The Chief Operational Decision Maker monitors the operating results of the entity's business for the purpose of making decisions about resource allocation and performance assessment.



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

### 28. Earnings Per Share (EPS)

	2017-18	2016-17
<b>Face Value per Equity Share (₹)</b>	<b>10.00</b>	10.00
<b>Basic Earnings Per Share (₹)</b>	<b>2.34</b>	0.83
Net Profit/ (Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in crore)	<b>1,243.14</b>	442.60
Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS	<b>531,95,41,650</b>	531,95,41,650
<b>Diluted Earnings Per Share (₹)</b>	<b>2.29</b>	0.83
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in crore)	<b>1,243.14</b>	442.60
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	<b>543,46,10,143</b>	531,98,26,617
<b>Reconciliation of Weighted Average Number of Shares outstanding</b>		
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	<b>531,95,41,650</b>	531,95,41,650
Total Weighted Average Potential Equity Shares	<b>11,50,68,493</b>	2,84,967
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	<b>543,46,10,143</b>	531,98,26,617

### 29. Contingent Liabilities and Commitments

	As at 31st March, 2018	₹ crore As at 31st March, 2017
a	Contingent Liabilities:	
(i)	Outstanding Guarantees furnished to Banks and Financial Institutions including in respect of Letters of Credits	
(a)	1,321.39	4,001.22
(ii)	Guarantees to Banks and Financial Institutions against credit facilities extended to third parties	
(a)	18.66	23.94
(iii)	Claims against the Company/ disputed liabilities not acknowledged as debts *	
(a)	42.41	44.66
b	Commitments:	
	Estimated amount of contracts remaining to be executed on capital account and not provided for	
(a)	172.02	101.50

\* The above disputed liabilities are not expected to have any material effect on the financial position of the Company.

### 30. Capital Management

For the purpose of the company's capital management, capital includes issued capital, share premium, convertible instruments and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximize the shareholder value.

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders or issue new shares.

The Company monitors capital using a Gearing Ratio, which is Net Debt divided by Equity.

The Company includes within Net debt, interest bearing Loans and Borrowings, less Cash & Cash Equivalents.

### Net Gearing Ratio

The Net Gearing Ratio at end of the reporting period was as follows.

	As at 31st March, 2018	As at 31st March, 2017	₹ crore
Gross Debt	3,448.02		28.37
Cash and Marketable Securities	156.12		592.31
<b>Net Debt (A)</b>	<b>3,291.90</b>		<b>(563.94)</b>
<b>Total Equity (As per Balance Sheet) (B)</b>	<b>9,066.46</b>		<b>6,819.57</b>
<b>Net Gearing Ratio (A/B)</b>	<b>0.36</b>		<b>-</b>

### 31. Financial Instruments

#### Valuation Methodology

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

- The fair value of investment in Mutual Funds is measured at quoted price or NAV.
- The fair value of Forward Foreign Exchange contracts is determined using forward exchange rates at the balance sheet date.
- Commodity derivative contracts are valued using readily available information in markets and quotations from exchange & brokers.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.
- All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

#### Fair value measurement hierarchy:

Particulars	Carrying Amount	As at 31st March, 2018			As at 31st March, 2017			₹ crore
		Level of Input used in			Carrying Amount	Level of Input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	
<b>Financial Assets</b>								
<b>At Amotised Cost</b>								
Investments*	0.29	-	-	-	0.20	-	-	
Trade Receivables	2,215.72	-	-	-	730.09	-	-	
Cash and Cash Equivalents	156.12	-	-	-	252.31	-	-	
Loans	462.47	-	-	-	53.39	-	-	
Other Financial Assets	255.29	-	-	-	232.33	-	-	
<b>At FVTPL</b>								
Investments	-	-	-	-	340.01	340.00	0.01	
Financial Derivatives	2.84	-	2.84	-	-	-	-	
Commodity Derivatives	9.08	0.24	8.84	-	16.42	0.12	16.30	
<b>At FVTOCI</b>								
Investments	45.55	-	-	45.55	-	-	-	

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

₹ crore

Particulars	As at 31st March, 2018			As at 31st March, 2017			
	Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in		
		Level 1	Level 2		Level 3	Level 1	Level 2
<b>Financial Liabilities</b>							
<b>At Amortised Cost</b>							
Borrowings	3,448.02	-	-	-	28.37	-	-
Trade Payables	8,231.87	-	-	-	3,926.68	-	-
Other Financial Liabilities	2,797.66	-	-	-	186.73	-	-
<b>At FVTPL</b>							
Financial Derivatives	7.66	-	7.66	-	100.27	-	100.27
Commodity Derivatives	6.40	-	6.40	-	-	-	-

\* Excludes Financials assets measured at cost (Refer Note No. 2.1)

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

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

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

Level 3: Inputs based on unobservable market data.

### Foreign Currency Risk

The following table shows foreign currency exposures in USD, GBP, EUR, SGD, RMB and CNY on financial instruments at the end of the reporting period.

(i) **Foreign Currency Exposure** ₹ crore

	As at 31st March, 2018				As at 31st March, 2017			
	USD	GBP	EUR	SGD	USD	RMB	GBP	CNY
Trade Payables	7,880.97	0.87	0.23	0.09	2,009.31	0.02	0.08	-
<b>Derivatives</b>								
Forwards & Futures	(1 159.16)	(0.41)	-	-	(2,394.59)	-	-	(51.35)
<b>Exposure</b>	<b>6,721.81</b>	<b>0.46</b>	<b>0.23</b>	<b>0.09</b>	<b>(385.28)</b>	<b>0.02</b>	<b>0.08</b>	<b>(51.35)</b>

Sensitivity analysis of 1% change in exchange rate at the end of reporting period

(ii) **Foreign Currency Sensitivity** ₹ crore

	As at 31st March, 2018				As at 31st March, 2017			
	USD	GBP	EUR	SGD	USD	RMB	GBP	CNY
<b>1% Depreciation in INR</b>								
Impact on P&L	(67.22)	(0.00)	(0.00)	(0.00)	3.85	(0.00)	(0.00)	0.51
<b>Total</b>	<b>(67.22)</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>3.85</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>0.51</b>

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

	As at 31st March, 2018				As at 31st March, 2017			
	USD	GBP	EUR	SGD	USD	RMB	GBP	CNY
<b>1% Appreciation in INR</b>								
Impact on P&L	67.22	0.00	0.00	0.00	(3.85)	0.00	0.00	(0.51)
<b>Total</b>	<b>67.22</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(3.85)</b>	<b>0.00</b>	<b>0.00</b>	<b>(0.51)</b>

₹ crore

### Interest Rate Risk

There is no Interest Rate Risk as all the Borrowings are at fixed rate of interest.

### Credit Risk

Credit risks is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the Company. Credit risk arises from Company's activities in investments, dealing in derivatives and receivables from customers.

The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Credit risks is actively managed through Letters of Credit, Bank Guarantees, Parent Company Guarantees, advance payments and factoring & forfaiting without recourse to the Company. The Company restricts its fixed income investments in liquid securities carrying high credit rating.

### Liquidity Risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on the due date. The Company maintains sufficient stock of cash and marketable securities. The Company accesses global and local financial markets to meet its liquidity requirements. It uses a range of products to ensure efficient funding from across well-diversified markets. Treasury monitors rolling forecasts of the Company's cash flow position and ensures that the Company is able to meet its financial obligations at all times including contingencies.

The Company's liquidity is managed centrally with operating units forecasting their cash and liquidity requirements.

Particulars	Maturity Profile as at 31st March, 2018						Total
	Below 3 Months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	
<b>Borrowings</b>							
Current <sup>#</sup>	3,481.33	0.07	0.06	-	-	-	3,481.46
<b>Total</b>	<b>3,481.33</b>	<b>0.07</b>	<b>0.06</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,481.46</b>
<b>Derivative Liabilities</b>							
Forwards & Futures	7.68	6.38	-	-	-	-	14.06
<b>Total</b>	<b>7.68</b>	<b>6.38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14.06</b>

₹ crore

<sup>#</sup> Includes ₹ 33.43 crore as Commercial Paper discount

Particulars	Maturity Profile as at 31st March, 2017						Total
	Below 3 Months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	
<b>Borrowings</b>							
Non-current*	0.22	0.19	0.26	0.22	-	-	0.89
Current	5.46	15.02	7.00	-	-	-	27.48
<b>Total</b>	<b>5.68</b>	<b>15.21</b>	<b>7.26</b>	<b>0.22</b>	<b>-</b>	<b>-</b>	<b>28.37</b>
<b>Derivative Liabilities</b>							
Forwards & Futures	70.40	(9.68)	23.13	-	-	-	83.85
<b>Total</b>	<b>70.40</b>	<b>(9.68)</b>	<b>23.13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83.85</b>

₹ crore

\* Includes Current maturities of long term debt

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

### Hedge Accounting

**Commodity Risk:** The Company is subject to commodity price risk due to fluctuation in prices of underlying Gold and Silver Inventories. The Company uses a combination of Futures and Forward contracts to hedge the physical exposure of commodity positions. The Company has adopted a structured risks management policy to hedge commodity risks within an acceptable risk limit and an approved hedge accounting framework which allows for Fair Value hedges. The gain /loss on hedging instruments are aligned and effectively offset with hedge items. Since the hedge instrument and hedge items normally offset and hence it is fully effective. The table below shows the position of hedging instruments and hedged items as on the balance sheet date.

Disclosure of effects of Hedge Accounting:

### Fair Value Hedge

#### Hedging Instruments

₹ crore

Particulars	Nominal Value	Quantity (in Kgs)	Carrying Amount		Changes in Fair Value	Hedge Maturity	Line Item in Balance Sheet
			Assets	Liabilities			
<b>As at 31st March, 2018</b>							
<b>Commodity Price Risk</b>							
Derivative Contracts	781.96	4,002	9.08	6.40	2.68	April 18 - August 18	Other Financial Assets/ Liabilities

**As at 31st March, 2017**

<b>Commodity Price Risk</b>							
Derivative Contracts	704.15	3,765	16.42	-	16.42	April 17 - September 17	Other Financial Assets

#### Hedged Items:

₹ crore

Particulars	Carrying Amount		Change in Fair Value	Line Item in Balance Sheet
	Assets	Liabilities		
<b>As at 31st March, 2018</b>				
<b>Commodity Price Risk</b>				
Inventories	812.67	-	2.68	Inventories
<b>As at 31st March, 2017</b>				
<b>Commodity Price Risk</b>				
Inventories	720.74	-	16.42	Inventories

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

### 32. Related Parties Disclosures

As per Ind AS 24, 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	Ultimate Holding Company
2	Reliance Retail Ventures Limited	Holding Company
3	Reliance Petro Marketing Limited	Subsidiary Companies
4	Reliance Trading Limited*	
5	Reliance-GrandOptical Private Limited	
6	Reliance Clothing India Private Limited	
7	Reliance Trading Limited*	Fellow Subsidiaries
8	Indiawin Sports Private Limited	
9	Reliance Brands Limited	
10	Reliance Lifestyle Holdings Limited	
11	Reliance Corporate IT Park Limited	
12	Reliance Retail Insurance Broking Limited	
13	Reliance Petroinvestments Limited	
14	Reliance SMSL Limited	
15	Big Tree Entertainment Private Limited	
16	Digital18 Media Limited	
17	Reliance Jio Infocomm Limited	
18	Network18 Media & Investments Limited	
19	Reliance Gas Pipelines Limited	
20	Reliance Jio Digital Services Limited	
21	Reliance Progressive Traders Private Limited	
22	Reliance Prolific Traders Private Limited	
23	Reliance Prolific Commercial Private Limited	
24	Reliance Payment Solutions Limited	
25	TV18 Home Shopping Network Limited	
26	Reliance Sibur Elastomers Private Limited	
27	TV18 Broadcast Limited	
28	Reliance Commercial Trading Private Limited*	
29	Reliance Jio Messaging Services Limited	
30	Reliance Eminent Trading & Commercial Private Limited	
31	Reliance Innovative Building Solutions Private Limited	
32	Reliance Industrial Investments and Holdings Limited	
33	Reliance Commercial Land & Infrastructure Limited*	
34	Reliance Jio Media Limited	
35	Panorama Television Private Limited	
36	Reliance Ambit Trade Private Limited	
37	Reliance Jio Infratel Private Limited	
38	Reliance Commercial Dealers Limited	
39	Reliance Polyolefins Limited	
40	Viacom 18 Media Private Limited	
41	Reliance-GrandVision India Supply Private Limited	Joint Venture Companies
42	Reliance-Vision Express Private Limited	
43	Marks and Spencer Reliance India Private Limited	
44	Supreme Tradelinks Private Limited (wholly owned subsidiary of Marks and Spencer Reliance India Private Limited)	
45	Shri Pankaj Pawar (Upto 28-11-2016)	Key Managerial Personnel
46	Shri V Subramaniam (From 07-12-2016)	
47	Shri Ashwin Khasgiwala (From 07-12-2016)	
48	Shri K Sridhar (From 07-12-2016)	

\* The above entities includes related parties where the relationship existed for the part of the year.

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

(ii) Transactions during the year with Related Parties (excluding reimbursements):								₹ crore
Sr No	Nature of Transactions	Ultimate Holding Company	Holding Company	Subsidiaries	Fellow Subsidiaries	Joint Ventures	Key Managerial Personnel	Total
1	Additional Investment in Share Capital	-	<b>999.99</b>	-	-	-	-	<b>999.99</b>
2	Net Unsecured Loans Taken/ (Repaid)	-	<b>(7.00)</b>	-	-	-	-	<b>(7.00)</b>
3	Net Deposits Taken/ (Repaid)	-	(352.02)	-	-	-	-	(352.02)
4	Purchase/ Subscription of Investments	-	-	-	-	<b>(0.02)</b>	-	<b>(0.02)</b>
5	Issue/ (Repayment) of Debentures	-	-	-	-	(0.02)	-	(0.02)
6	Net Loans and Advances Given/(Returned)-	-	255.00	-	-	2.50	-	2.50
7	Purchase of Property Plant & Equipment / Project Materials	<b>10.45</b>	-	-	<b>232.46</b>	-	-	<b>242.91</b>
8	Sale of Project Materials	<b>0.19</b>	-	<b>0.10</b>	<b>0.56</b>	-	-	<b>0.85</b>
9	Revenue from Operations	<b>105.57</b>	<b>1.06</b>	<b>1.56</b>	<b>822.93</b>	<b>2.38</b>	-	<b>933.50</b>
10	Other Income	76.42	-	0.11	3,258.30	2.48	-	3,337.31
11	Purchases	-	-	<b>4.73</b>	<b>16.38</b>	-	-	<b>21.11</b>
12	Sale of Investment	-	-	3.86	-	-	-	3.86
13	Expenditure	<b>19.24</b>	-	<b>0.41</b>	<b>23,972.41</b>	<b>2.29</b>	-	<b>23,994.35</b>
a.	Interest Cost	7.40	-	0.37	1,063.69	1.65	-	1,073.11
b.	Store Running Expenses	-	-	-	1.05	-	-	1.05
c.	Building Repairs and Maintenance	-	-	-	-	-	-	-
d.	Other Repairs	-	-	-	-	-	-	-
e.	Electricity Expenses	<b>0.01</b>	-	-	<b>171.88</b>	-	-	<b>171.89</b>
f.	Rent	-	-	-	153.12	-	-	153.12
g.	Hire Charges	-	-	-	62.17	-	-	62.17
h.	Brokerage & Commission	-	-	-	0.01	-	-	0.01
i.	Professional Fees	<b>0.01</b>	<b>9.31</b>	-	<b>5.20</b>	-	-	<b>14.52</b>
j.	General Expenses	-	16.07	-	-	-	-	16.07
k.	Payment to Key Managerial Personnel	-	-	-	<b>85.41</b>	-	<b>3.42</b>	<b>85.41</b>
		-	-	-	65.04	-	3.66	65.04
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-

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

(ii) Transactions during the year with Related Parties (excluding reimbursements): (Contd.)								₹ crore
Sr No	Nature of Transactions	Ultimate Holding Company	Holding Company	Subsidiaries	Fellow Subsidiaries	Joint Ventures	Key Managerial Personnel	Total
<b>Balance as at 31st March, 2018</b>								
14	Equity Share Capital	-	<b>4,987.03</b>	-	-	-	-	<b>4,987.03</b>
		-	<i>4,987.03</i>	-	-	-	-	<i>4,987.03</i>
15	Preference Share Capital #	-	<b>999.99</b>	-	-	-	-	<b>999.99</b>
		-	-	-	-	-	-	-
16	Debentures	-	<b>330.00</b>	-	-	-	-	<b>330.00</b>
		-	<i>330.00</i>	-	-	-	-	<i>330.00</i>
17	Borrowings - Current	-	-	-	-	-	-	-
		-	<i>7.00</i>	-	-	-	-	<i>7.00</i>
18	Investment - Non-Current	-	-	<b>104.04</b>	-	<b>384.53</b>	-	<b>488.57</b>
		-	-	<i>104.04</i>	-	<i>382.03</i>	-	<i>486.07</i>
19	Deposits Taken	-	-	-	-	<b>0.19</b>	-	<b>0.19</b>
		-	-	-	-	<i>0.20</i>	-	<i>0.20</i>
20	Loans - Non-Current	-	-	<b>60.15</b>	<b>402.32</b>	-	-	<b>462.47</b>
		-	-	<i>53.39</i>	-	-	-	<i>53.39</i>
21	Trade Receivables	<b>21.58</b>	<b>0.97</b>	<b>0.79</b>	<b>24.80</b>	<b>1.63</b>	-	<b>49.77</b>
		<i>17.39</i>	-	<i>0.14</i>	<i>29.13</i>	<i>0.07</i>	-	<i>46.73</i>
22	Other Current Assets	-	-	<b>0.34</b>	<b>2.49</b>	-	-	<b>2.83</b>
		-	-	-	-	-	-	-
23	Other Financial Asset	-	-	-	<b>1.18</b>	-	-	<b>1.18</b>
		-	<i>3.47</i>	<i>0.39</i>	-	-	-	<i>3.86</i>
24	Trade Payables	<b>11.73</b>	-	<b>0.54</b>	<b>514.12</b>	<b>0.27</b>	-	<b>526.66</b>
		<i>5.45</i>	-	<i>0.26</i>	<i>44.02</i>	-	-	<i>49.73</i>
25	Financial Guarantees	-	-	<b>5.70</b>	<b>12.95</b>	-	-	<b>18.65</b>
		-	-	<i>5.80</i>	<i>18.14</i>	-	-	<i>23.94</i>

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

# Including Securities Premium.



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

<b>(iii) Disclosure in respect of major Related Party Transactions during the year:</b>			₹ crore	
<b>Particulars</b>	<b>Relationship</b>	<b>2017-18</b>	<b>2016-17</b>	
<b>1 Additional Investment in Share Capital</b>				
Reliance Retail Ventures Limited	Holding Company	<b>999.99</b>	-	
<b>2 Net Unsecured Loans Taken/ (Repaid)</b>				
Reliance Retail Ventures Limited	Holding Company	<b>(7.00)</b>	(352.02)	
<b>3 Net deposits Taken/ (Repaid)</b>				
Reliance Industries Limited (Previous year ₹ 25 000)	Ultimate Holding Company	-	0.00	
Reliance-Vision Express Private Limited	Joint Venture	<b>(0.02)</b>	(0.02)	
<b>4 Purchase/ Subscription of Investments</b>				
Reliance-Vision Express Private Limited	Joint Venture	<b>2.50</b>	2.50	
<b>5 Issue/ (Repayment) of Debentures</b>				
Reliance Retail Ventures Limited	Holding Company	-	255.00	
<b>6 Net Loans and Advances Given/ (Returned)</b>				
Reliance Clothing India Private Limited	Subsidiary	<b>6.76</b>	21.82	
Reliance Brands Limited	Fellow Subsidiary	<b>402.32</b>	-	
<b>7 Purchase of Property Plant &amp; Equipment / Project Materials</b>				
Reliance Industries Limited	Ultimate Holding Company	<b>10.45</b>	5.14	
Reliance Trading Limited	Subsidiary	-	13.88	
Reliance Trading Limited	Fellow Subsidiary	-	7.77	
Reliance Corporate IT Park Limited	Fellow Subsidiary	<b>224.13</b>	33.68	
Reliance Innovative Building Solutions Private Limited (Previous year ₹ 42 076)	Fellow Subsidiary	-	0.00	
Reliance Petroinvestments Limited	Fellow Subsidiary	<b>0.51</b>	-	
Reliance Payment Solutions Limited	Fellow Subsidiary	<b>7.82</b>	-	
<b>8 Sale of Project Materials</b>				
Reliance Industries Limited	Ultimate Holding Company	<b>0.19</b>	0.01	
Reliance Clothing India Private Limited	Subsidiary	<b>0.10</b>	0.01	
Reliance Brands Limited (Previous year ₹ 16 980)	Fellow Subsidiary	<b>0.40</b>	0.00	
Reliance Lifestyle Holdings Limited	Fellow Subsidiary	-	0.03	
Reliance Corporate IT Park Limited	Fellow Subsidiary	<b>0.01</b>	0.36	
Reliance Progressive Traders Private Limited	Fellow Subsidiary	<b>0.07</b>	0.03	
Reliance Petroinvestments Limited	Fellow Subsidiary	-	0.05	
Reliance Eminent Trading & Commercial Private Limited	Fellow Subsidiary	<b>0.02</b>	-	
Reliance Jio Infocomm Limited	Fellow Subsidiary	<b>0.06</b>	-	
<b>9 Revenue from Operations</b>				
Reliance Industries Limited	Ultimate Holding Company	<b>105.57</b>	76.42	
Reliance Retail Ventures Limited	Holding Company	<b>1.06</b>	-	
Reliance Clothing India Private Limited	Subsidiary	<b>1.16</b>	0.03	
Reliance Petro Marketing Limited	Subsidiary	<b>0.40</b>	0.08	
Reliance Retail Insurance Broking Limited	Fellow Subsidiary	<b>6.44</b>	7.54	
Reliance Brands Limited	Fellow Subsidiary	<b>2.41</b>	1.03	
Reliance Lifestyle Holdings Limited	Fellow Subsidiary	<b>0.38</b>	0.45	
Reliance Jio Infocomm Limited	Fellow Subsidiary	<b>756.05</b>	2,395.85	
Indiawin Sports Private Limited	Fellow Subsidiary	<b>1.87</b>	0.76	

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

(iii) Disclosure in respect of major Related Party transactions during the year: (Contd.)			₹ crore	
Particulars	Relationship	2017-18	2016-17	
Reliance Corporate IT Park Limited	Fellow Subsidiary	<b>36.36</b>	843.22	
Reliance Gas Pipelines Limited	Fellow Subsidiary	<b>0.26</b>	0.61	
Reliance Jio Digital Services Limited	Fellow Subsidiary	-	0.33	
Reliance Sibur Elastomers Private Limited	Fellow Subsidiary	<b>0.06</b>	0.02	
TV18 Broadcast Limited	Fellow Subsidiary	<b>0.38</b>	0.02	
Big Tree Entertainment Private Limited	Fellow Subsidiary	-	0.64	
Reliance Payment Solutions Limited	Fellow Subsidiary	<b>0.61</b>	1.67	
Reliance Jio Messaging Services Limited	Fellow Subsidiary	<b>0.04</b>	0.11	
Reliance Eminent Trading & Commercial Private Limited (₹ 15 990)	Fellow Subsidiary	<b>0.00</b>	-	
Reliance Petroinvestments Limited (₹ 16 000)	Fellow Subsidiary	<b>0.00</b>	-	
Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary	<b>0.01</b>	0.05	
Reliance SMSL Limited	Fellow Subsidiary	<b>0.31</b>	1.71	
Reliance Ambit Trade Private Limited (Previous year ₹ 13 991)	Fellow Subsidiary	-	0.00	
Network18 Media & Investments Limited	Fellow Subsidiary	-	0.01	
Panorama Television Private Limited	Fellow Subsidiary	<b>0.01</b>	0.88	
Reliance Prolific Commercial Private Limited (Previous year ₹ 13 991)	Fellow Subsidiary	-	0.00	
Reliance Jio Media Limited	Fellow Subsidiary	<b>3.49</b>	3.40	
Reliance Commercial Dealers Limited	Fellow Subsidiary	<b>0.08</b>	-	
Reliance Polyolefins Limited	Fellow Subsidiary	<b>13.93</b>	-	
Viacom 18 Media Private Limited	Fellow Subsidiary	<b>0.24</b>	-	
Reliance-Vision Express Private Limited	Joint Venture	<b>2.24</b>	2.48	
Marks and Spencer Reliance India Private Limited	Joint Venture	<b>0.14</b>	-	
<b>10 Other Income</b>				
Reliance Clothing India Private Limited	Subsidiary	<b>4.73</b>	3.86	
Reliance Brands Limited	Fellow Subsidiary	<b>16.38</b>	-	
<b>11 Purchases</b>				
Reliance Industries Limited	Ultimate Holding Company	<b>19.24</b>	7.40	
Reliance Petro Marketing Limited	Subsidiary	<b>0.15</b>	0.10	
Reliance Clothing India Private Limited	Subsidiary	<b>0.26</b>	0.27	
Reliance Brands Limited	Fellow Subsidiary	<b>4.51</b>	1.86	
Reliance Corporate IT Park Limited	Fellow Subsidiary	-	0.47	
Reliance Jio Infocomm Limited	Fellow Subsidiary	<b>23,967.90</b>	1,042.10	
Reliance Commercial Land & Infrastructure Limited	Fellow Subsidiary	-	19.26	
Marks and Spencer Reliance India Private Limited	Joint Venture	<b>2.29</b>	1.65	
<b>12 Sale of Investments</b>				
Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary	-	1.05	

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

(iii) Disclosure in respect of major Related Party transactions during the year: (Contd.)			₹ crore	
Particulars	Relationship	2017-18	2016-17	
<b>13 Expenditure</b>				
<b>a. Interest Cost</b>				
Reliance Retail Ventures Limited	Holding Company	<b>0.56</b>	13.04	
<b>b. Store Running Expenses</b>				
Reliance Corporate IT Park Limited	Fellow Subsidiary	<b>254.19</b>	218.26	
Reliance SMSL Limited	Fellow Subsidiary	<b>107.09</b>	40.08	
Reliance Payment Solutions Limited	Fellow Subsidiary	<b>4.91</b>	0.10	
<b>c. Building Repairs and Maintenance</b>				
Reliance Corporate IT Park Limited	Fellow Subsidiary	<b>65.24</b>	62.17	
<b>d. Other Repairs</b>				
Big Tree Entertainment Private Limited	Fellow Subsidiary	-	0.01	
<b>e. Electricity Expenses</b>				
Reliance Industries Limited	Ultimate Holding Company	<b>0.01</b>	-	
Reliance Corporate IT Park Limited	Fellow Subsidiary	<b>171.88</b>	153.12	
<b>f. Rent</b>				
Reliance Corporate IT Park Limited	Fellow Subsidiary	<b>332.63</b>	202.01	
Reliance Innovative Building Solutions Private Limited	Fellow Subsidiary	<b>1.89</b>	1.90	
<b>g. Hire Charges</b>				
Reliance SMSL Limited	Fellow Subsidiary	<b>0.93</b>	3.57	
<b>h. Brokerage &amp; Commission</b>				
TV18 Home shopping Network Limited	Fellow Subsidiary	-	3.23	
<b>i. Professional Fees</b>				
Reliance Industries Limited	Ultimate Holding Company	<b>0.01</b>	-	
Reliance Retail Ventures Limited	Holding Company	<b>9.31</b>	16.07	
Reliance Corporate IT Park Limited	Fellow Subsidiary	<b>5.20</b>	-	
<b>j. General Expenses</b>				
Reliance Corporate IT Park Limited	Fellow Subsidiary	<b>77.82</b>	65.04	
Reliance Jio Infocomm Limited	Fellow Subsidiary	<b>7.59</b>	-	
<b>k. Payment to Key Managerial Personnel</b>				
Shri Pankaj Pawar	Key Managerial Personnel	-	2.63	
Shri V Subramaniam	Key Managerial Personnel	<b>2.50</b>	0.57	
Shri Ashwin Khasgiwala	Key Managerial Personnel	<b>0.71</b>	0.30	
Shri K Sridhar	Key Managerial Personnel	<b>0.21</b>	0.16	

### 32.1 Compensation of Key Managerial Personnel

		₹ crore	
		2017-18	2016-17
i	Short-Term Benefits	<b>3.27</b>	3.55
ii	Post Employment Benefits	<b>0.15</b>	0.11
	<b>Total</b>	<b>3.42</b>	3.66

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

### 33. Details of Loans Given, Investment made and Guarantee given covered u/s. 186(4) of the Companies Act, 2013.

- a) Loans given by the Company to body corporate as at 31st March 2018 (Refer Note 3.1).  
b) Investment made by the Company as at 31st March 2018 (Refer Note 2)

### 34. The details of Joint Ventures are as follows:

Name of the Joint Ventures	Country of incorporation	Proportion of ownership interest
Marks and Spencer Reliance India Private Limited	India	49%
Reliance-Grand Vision India Supply Private Limited	India	50%
Reliance-Vision Express Private Limited	India	50%
Supreme Tradelinks Private Limited ( <i>wholly owned subsidiary of Marks and Spencer Reliance India Private Limited</i> )	India	49%

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

36. The Financial Statements were approved for issue by the Board of Directors on 25th April, 2018.

As per our Report of even date

For **D T S & Associates**  
Chartered Accountants

**Ashish G. Mistry**  
Partner

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Ketan Vora**  
Partner

For and on behalf of the Board

**V. Subramaniam**  
Whole-Time Director

**Pankaj Pawar**  
Director

**Sanjay Jog**  
Director

**K Sudarshan**  
Director

**Ranjit V Pandit**  
Director

**Ashwin Khasgiwala**  
Chief Financial Officer

**K Sridhar**  
Company Secretary

Mumbai  
Dated : 25th April, 2018