RELIANCE SMSL LIMITED

FINANCIAL STATEMENTS

2017-18

Independent Auditor's Report

TO THE MEMBERS OF
RELIANCE SMSL LIMITED
(Formerly known as Strategic Manpower Solutions Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance SMSL Limited** ("the Company") (Formerly *known as Strategic Manpower Solutions Limited)*, which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income) the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its profit (financial performance including other comprehensive income) , its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

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

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact on its financial position.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Jignesh Mehta
Partner
Membership No. 102749

Place: Mumbai
Date: April 24, 2018

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE SMSL LIMITED (Formerly known as Strategic Manpower Solutions Limited)

(Referred to in Paragraph 1 under the heading of "Report on other legal and regulatory requirements" of our report of even date)

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 on the basis of available information.

  b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

  c) As the Company has no immovable assets during the year, clause (c) (i) of paragraph 3 of the Order is not applicable to the company.

ii) As the Company had no Inventories during the year, clause (ii) of paragraph of 3 of the Order is not applicable to the Company.

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

iv) Company has not granted any loans, investments, guarantees and securities covered under section 185 and 186 of the Act.

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

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

vii) In respect of Statutory dues :

  a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, goods and services tax, cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31, 2018 for a period of more than six months from the date they became payable.

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

viii) In our opinion and according to the information given to us, the Company has not raised loans from financial institutions or banks or government and no amounts were due for repayments to debenture holders; hence clause (viii) of paragraph 3 of the Order is not applicable to the Company.

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

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

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

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

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

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

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

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

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

Jignesh Mehta
Partner
Membership No. 102749

Place: Mumbai
Date: April 24, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE SMSL LIMITED (Formerly known as Strategic Manpower Solutions Limited)

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Reliance SMSL Limited** ("the Company") *(Formerly known as Strategic Manpower Solutions Limited) as* of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

Jignesh Mehta
Partner
Membership No. 102749

Place: Mumbai
Date: April 24, 2018

Balance Sheet as at 31st March, 2018

(₹ in lakhs)

	Notes	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
Non-Current assets			
Property, plant and equipment	1	1 45.63	77.89
Deferred tax assets (net)	2	21 76.08	21 43.37
Other Non- current assets	3	78.54	-
Total Non-Current assets		24 00.25	22 21.26
Current assets			
Financial Assets:			
Trade receivables	4	164 44.52	91 28.13
Cash and cash equivalents	5	17.31	66.58
Other Financial Assets	6	1 17.94	54.31
Other Current Assets	7	36 97.56	15 65.89
Total Current assets		202 77.33	108 14.91
Total Assets		226 77.58	130 36.17
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	8	5.00	5.00
Other Equity	9	(10 98.61)	(14 77.08)
Total Equity		(10 93.61)	(14 72.08)
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Provisions	10	-	3 07.44
Total non-current liabilities		-	3 07.44
Current Liabilities			
Financial Liabilities			
Trade Payables	11	5 87.42	2 94.93
Other Current Liabilities	12	166 55.26	94 68.05
Provisions	13	65 28.51	44 37.83
Total current liabilities		237 71.19	142 00.81
Total Liabilities		237 71.19	145 08.25
Total Equity and Liabilities		226 77.58	130 36.17
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1 to 21		

As per our Report of even date

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

Jignesh Mehta
Partner
Membership No.: 102749

Place : Mumbai
Date : April 24, 2018

For and on behalf of the Board

Sanjay Jog Director	**K. Sudarshan** Director	**Pramod Bhawalkar** Director
Jagmohanlal Bhamri Director	**Geeta Fulwadaya** Director	**G. Venkatesh** Director

Profit and Loss Statement for the period 2017-18

(₹ in lakhs)

	Notes	2017-18	2016-17
INCOME			
Income from Services		**1776 32.84**	1213 77.96
Less:GST /Service tax Recovered		**(263 17.51)**	(157 87.14)
Revenue from operations		**1513 15.33**	1055 90.82
Other Income	**14**	**17.22**	24.49
Total Income		**1513 32.55**	1056 15.31
EXPENSES			
Employee Benefits Expense	**15**	**1420 50.77**	998 65.29
Depreciation/Amortisation & Deplation Expenses		**27.35**	2.18
Other Expenses	**16**	**91 43.17**	76 63.35
Total Expenses		**1512 21.29**	1075 30.82
Profit Before Tax		**1 11.26**	(19 15.51)
Tax Expenses:			
Current Tax	**3.2**	**1 29.11**	1 96.41
Deferred Tax	**3.2**	**(32.71)**	(21 43.37)
		96.40	(19 46.96)
Profit for the year		**14.86**	31.45
Other Comprehensive Income (OCI)			
Other item that will not to be reclassified to Profit & Loss			
(i) Remeasurement of Defined Benefit Plan		**543.23**	2 066.70
(ii) Income tax relating to items that will not be reclassified to statement of Profit & loss		**(179.61)**	(683.31)
Total comprehensive income for the year		**378.48**	1 414.84
Earnings per equity share of face value of ₹ 10 each	**17**		
Basic (in ₹)		**29.73**	62.90
Diluted (in ₹)		**0.13**	0.33
Significant Accounting Policies See accompanying Notes to the Financial Statements	**1 to 21**		

As per our Report of even date

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

Jignesh Mehta
Partner
Membership No.: 102749

Place : Mumbai
Date : April 24, 2018

For and on behalf of the Board

Sanjay Jog
Director

K. Sudarshan
Director

Pramod Bhawalkar
Director

Jagmohanlal Bhamri
Director

Geeta Fulwadaya
Director

G. Venkatesh
Director

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

A. EQUITY SHARE CAPITAL (₹ in lakhs)

Balance at the beginning of the reporting period i.e. 1st April, 2016	Change in equity share capital during the year 2016-17	Balance at the end of the reporting period i.e. 31st March, 2017	Change in equity share capital during the year 2017-18	Balance at the end of the reporting period i.e. 31st March, 2018
5.00	**-**	**5.00**	**-**	**5.00**

(₹ in lakhs)

B. OTHER EQUITY	Equity component of convertible instrument	Application money Pending Allotment	Retained Earnings	Other Comprehensive Income*	Total
As at 31st March, 2017					
Balance at the beginning of the reporting period i.e. 1st April, 2016	-	11 27.26	(41 38.80)	1 19.62	(28 91.92)
Total Comprehensive Income for the year	-	-	31.45	13 83.39	14 14.84
Zero Coupon Unsecured Optionally Fully Convertible Debentures (OFCDs) of ₹10 each#	11 27.26	(11 27.26)	-	-	-
Balance at the end of the reporting period i.e. 31st March, 2017	**11 27.26**	**-**	**(41 07.35)**	**15 03.01**	**(14 77.08)**
As on 31st March, 2018					
Balance at the beginning of the reporting period i.e. 1st April, 2017	11 27.26	-	(41 07.35)	15 03.01	(14 77.08)
Total Comprehensive Income for the year				363.62	363.62
Transfer to/(from) retained earning	-	-	14.87	-	14.87
Balance at the end of the reporting period i.e. 31st March, 2018	**11 27.26**	**-**	**(40 92.48)**	**18 66.63**	**(10 98.61)**

* Represents - Remeasurement of employee related Defined Benefit Plan

The Company has issued NIL (Previous year 1 12 72 583 fully paid) Zero Coupon Optionally Fully Convertible Debentures of ₹ 10 each to Reliance Corporate IT Park Ltd.

The company and OFCD holder shall have an option for an early conversion at any time after allotment of the OFCDs by giving one month notice to other party at a value higher of book value or face value as at 31st March, 2015.

As per our Report of even date

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

Jignesh Mehta
Partner
Membership No.: 102749

Place : Mumbai
Date : April 24, 2018

For and on behalf of the Board

Sanjay Jog Director
K. Sudarshan Director
Pramod Bhawalkar Director
Jagmohanlal Bhamri Director
Geeta Fulwadaya Director
G. Venkatesh Director

Cash Flow Statement For the year ended 31st March, 2018

		Notes	2017-18	(₹ in lakhs) 2016-17
A:	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net Profit before Tax as per Statement of Profit and Loss		**111.26**	(1 915.51)
	Adjusted for:			
	Depreciation/Amortisation Deplation Expense		**27.35**	2.18
	Net gain on Investment		**(9.00)**	-
	Interest Income		**(8.22)**	(24.49)
	Operating Profit before Working Capital Changes		**121.39**	(1 937.81)
	Adjusted for:			
	Trade and Other Receivables		**(95 11.70)**	(21 70.58)
	Trade and Other Payables		**99 34.00**	43 29.79
	Cash Generated from Operations		**5 43.70**	2 21.39
	Taxes Paid (Net)		**(5 15.09)**	(1 05.55)
	Net Cash from Operating Activities		**28.61**	1 15.84
B:	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of tangible And intangible Assets		**(95.09)**	(80.07)
	Interest Income		**8.22**	24.49
	Net Cash (used in)/from Investing Activities		**(86.87)**	(55.58)
C:	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Purchase of other investments		**(1 02 60.00)**	-
	Sale of other investments		**1 02 69.00**	-
	Repayment of Long Term Borrowings			
	Net Cash (used in)/From Financing Activities		**9.00**	-
	Net (Decrease)/ Increase in Cash and Cash Equivalents		**(49.27)**	60.26
	Opening Balance of Cash and Cash Equivalents		**66.58**	6.32
	Closing Balance of Cash and Cash Equivalents (Refer Note "5")		**17.31**	66.58

As per our Report of even date

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

Jignesh Mehta
Partner
Membership No.: 102749

Place : Mumbai
Date : April 24, 2018

For and on behalf of the Board

Sanjay Jog
Director

K. Sudarshan
Director

Pramod Bhawalkar
Director

Jagmohanlal Bhamri
Director

Geeta Fulwadaya
Director

G. Venkatesh
Director

Notes on Financial Statements for the period ended 2017-18

Significant Accounting Policies on Accounts

A. CORPORATE INFORMATION

Reliance SMSL Limited (formerly known as Strategic Manpower Solutions Limited) ("the Company") is an entity incorporated in India. The address of its registered office and principal place of business is 3rd floor, Court house, Lokmanya Tilak Marg, Dhobi Talao, Mumbai - 400002. The principal activities of the Company is providing manpower recruitment or supply agency and activity related to human resource engagement.

B. ACCOUNTING POLICIES

B.1 BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

(i) Certain financial assets and liabilities measured at fair value.

(ii) Defined benefit plans - plan assets measured at fair value.

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

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

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Property, plant and equipment:

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated 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 to the entity and the cost can be measured reliably.

Depreciation on property, plant and equipment is provided based on useful life of the assets prescribed in Schedule II to the Companies Act, 2013.

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) Impairment of non-financial assets

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit or loss. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(c) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes on Financial Statements for the period ended 2017-18

The Company makes specified monthly contributions towards Provident Fund, Super Annuation and Pensions Schemes. The Company's contribution is recognised as an expenses in the Profit and Loss Statement during the period in which the employee renders the related service.

(d) 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 employees render the services.

Post-Employment Benefits

Defined Contribution Plans

The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service.

Defined Benefit Plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment and other long term benefits are charged to the Other Comprehensive Income.

(e) Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income and equity.

– Current tax

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

– Deferred tax

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

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

(f) 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 sale of goods 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.

Revenue from operations includes sale of goods, services, service tax, excise duty and sales during trial run period, adjusted for discounts (net), and gain/loss on corresponding hedge contracts.

Interest income

Interest income from a financial asset is recognised using effective interest rate method.

Dividends

Revenue is recognised when the Company's right to receive the payment has been established.

(g) Financial instruments

(i) Financial Assets

A. Initial recognition and measurement:

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable

Notes on Financial Statements for the period ended 2017-18

to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement

a) Financial assets measured at amortised cost (AC)

A financial asset is subsequently 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 subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets measured at fair value through profit or loss (FVTPL)

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

C. Equity Investments:

All 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'.

(ii) Financial liabilities

A. Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

B. Subsequent measurement:

Financial liabilities are subsequently 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) 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 expires.

C. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:

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

a) Depreciation and useful lives of property plant and equipment

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation 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 for future periods is adjusted if there are significant changes from previous estimates.

Notes on Financial Statements for the period ended 2017-18

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 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. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

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

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

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 following accounting standards. These are;

i. Ind AS 21 – The Effects of Changes in Foreign Currency 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. 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 financial Statements for the year ended 31st March, 2018

1 PROPERTY, PLANT AND EQUIPMENT

(₹ in lakhs)

	Gross Block				Depreciation			Net block	
Description	**As at 1st April 2017**	Additions/ Adjustments	Deductions/ Adjustments	**As at 31st March, 2018**	**As at 1st April 2017**	For the year	**Upto 31st March, 2018**	**As at 31st March, 2018**	As at 31st March, 2017
PROPERTY, PLANT AND EQUIPMENT									
(i) Tangible Assets:									
Own Assets:									
Plant and Machinery	**80.07**	**95.09**	-	**1 75.16**	2.18	**27.35**	**29.53**	**1 45.63**	77.89
Total	**80.07**	**95.09**	**-**	**1 75.16**	**-**	**27.35**	**29.53**	**1 45.63**	77.89
Previous year	**-**	80.07	-	80.07	**-**	2.18	2.18	77.89	**-**

(₹ in lakhs)

	As at 31st March, 2018	As at 31st March, 2017
2 DEFERRED TAX ASSETS (NET)		
The movement on the deferred tax account is as follows:		
At the start of the year	**21 43.37**	-
Charged / (credit) to Profit or loss (Note 3.2)	**32.71**	21 43.37
At the end of year	**21 76.08**	21 43.37

	As at 31st March, 2017	Charge/(Credit) to Profit or Loss	**As at 31st March, 2018**
Deferred Tax Liability/(Assets) in relation to			
Disallowance under the Income Tax Act, 1961	21 50.59	7.93	**21 58.52**
MAT Credit	-	30.96	**30.96**
	21 50.59	38.89	**21 89.48**
Property, plant and equipments	(7.22)	(6.18)	**(13.40)**
	(7.22)	(6.18)	**(13.40)**
Total	21 43.37	32.71	**21 76.08**

(₹ in lakhs)

	As at 31st March, 2018	As at 31st March, 2017
3 OTHER NON-CURRENT ASSETS		
(Unsecured and Considered Good)		
Advance Income Tax (Net of Provision)	**78.54**	**-**
Total	**78.54**	**-**

Notes to the financial Statements for the year ended 31st March, 2018

(₹ in Lakhs)

3.1 Advance Income Tax (Net of Provision)	As at 31st March, 2018	As at 31st March, 2017
At start of the year	**(307.44)**	466.74
Change for the year	**(129.11)**	(196.41)
Others#	**(1 79.61)**	(683.31)
Tax paid during the year	**515.09**	105.55
At end of the year	**78.54**	(307.44)

#Mainly pertains to provision for tax another Comprehensive Income

3.2 TAXATION

(₹ in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
a) Income Tax recognised in statement of Profit and Loss		
Current Tax	**1 29.11**	1 96.41
Deferred Tax	**(32.71)**	(21 43.37)
Total Income Tax Expense recognised in the current year.	**96.40**	(19 46.96)

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

Particulars	As at 31st March, 2018	As at 31st March, 2017
Profit before Tax	**1 11.26**	(19 15.51)
Applicable Tax Rate	**33.384%**	33.063%
Computed Tax Expense	**37.14**	(6 33.33)
Tax Effect of :		
Income not Considered		
Expenses disallowed	**23 69.96**	21 51.31
Additional Allowances net of MAT credit	**(22 77.99)**	(13 21.57)
Current Tax Provision (A)	**1 29.11**	1 96.41
Incremental Deferred Tax Liability on tangible and intangible Assets	**6.18**	7.22
Incremental Deferred Tax Asset on account of Financial Assets & Other items	**(38.89)**	(21 50.59)
Deferred Tax Provision (B)	**(32.71)**	(21 43.37)
Tax Expenses recognised in Statement of Profit and Loss (A+B)	**96.40**	(19 46.96)
Effective Tax Rate	**86.63%**	101.64%

Notes to the financial Statements for the year ended 31st March, 2018

		As at 31st March, 2018	(₹ in lakhs) As at 31st March, 2017
4	**TRADE RECEIVABLES**		
	(Unsecured and Considered Good)		
	Trade receivable from Related party/Associates	**1 64 42.76**	91 26.80
	Other Trade receivables	**1.76**	1.33
	Total	**164 44.52**	91 28.13

		As at 31st March, 2018	(₹ in lakhs) As at 31st March, 2017
5	**CASH AND CASH EQUIVALENTS**		
	Balance with bank	**17.31**	66.58
	Cash and cash equivalents as per balance sheet	**17.31**	66.58
	Cash and cash equivalents as per Statement of Cash flow	**17.31**	66.58

		As at 31st March, 2018	(₹ in lakhs) As at 31st March, 2017
6	**OTHER FINANCIAL ASSETS**		
	Security Deposits	**1 17.94**	54.31
	Total	**1 17.94**	54.31
	Deposits with government authorities		

		As at 31st March, 2018	(₹ in lakhs) As at 31st March, 2017
7	**OTHER CURRENT ASSETS**		
	(Unsecured and Considered Good)		
	Balance with Service tax, GST and Sales tax Authorities etc.	**-**	0.50
	Others*	**36 97.56**	15 65.39
	Total	**36 97.56**	15 65.89

*Includes advance to employees, prepaid expenses and unclaimed service tax.

		As at 31st March, 2018	(₹ in lakhs) As at 31st March, 2017
8	**SHARE CAPITAL**		
	Authorised Share Capital:		
	50 000 Equity Shares of ₹ 10 each (50 000)	**5.00**	5.00
	Total	**5.00**	5.00
	Issued, Subscribed and Paid-Up:		
	50 000 Equity Shares of ₹ 10 each fully paid up (50 000)	**5.00**	**5.00**
	Total	**5.00**	5.00

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

Notes to the financial Statements for the year ended 31st March, 2018

Name of the Shareholder	As at 31st March, 2018 No. of Shares	% held	As at 31st March, 2017 No. of Shares	% held
Reliance Corporate IT Park Ltd.	**50,000**	**100**	50 000	100

(ii) **Reconciliation of number of shares outstanding is set out below:**

Particulars	As at 31st March, 2018 No. of shares	As at 31st March, 2017 No. of shares
Equity Shares at the beginning of the year	**50,000**	50,000
Add: Equity Shares issued during the year	-	-
Equity Shares at the end of the year	**50,000**	50,000

(iii) The Company has only one class of equity shares having par value of ₹ 10 each and is entitled to one per share.

(₹ in lakhs)

		As at 31st March, 2018		As at 31st March, 2017	
9	**OTHER EQUITY**				
	Retained Earnings				
	As per last Balance Sheet	**(41 07.35)**		(41 38.80)	
	Profit / (Loss) of the Year	**14.86**		31.45	
			(40 92.48)		(41 07.35)
	Other Comprehensive Income				
	As per last balance sheet	**15 03.01**		1 19.62	
	Add: Movement in OCI (net) during the year	**3 63.62**		13 83.39	
			18 66.63		15 03.01
	Equity Component of Compound Financial Instrument				
	As per last balance sheet	**-**		11 27.26	
	Add: Application money ZOFCD				
	Less: Issue of Debenture	**-**		(11 27.26)	
	Zero Coupon Unsecured optionally Fully Convertible Debenture of ₹ 10 each				
	As per last balance sheet	**11 27.26**		-	
	Add: Issue of Debenture	**-**		11 27.26	
			11 27.26		11 27.26
			(10 98.61)		(14 77.08)

9.1 The Company has issued NIL fully paid (Previous year 1 12 72 583) Zero Coupon Optionally Fully Convertible Debentures of ₹ 10 each to Reliance Corporate IT Park Ltd.

9.2 The company and OFCD holder shall have an option for an early conversion at any time after allotment of the OFCDs by giving one month notice to other party at a value higher of book value or face value as at 31st March, 2015.

(₹ in lakhs)

		As at 31st March, 2018	As at 31st March, 2017
10	**PROVISIONS-NON-CURRENT**		
	Provision for Income Tax on OCI (Tax on Gain on Actuarial valuation of Gratuity)	**8 62.92**	6 83.31
	Less: Advance Income Tax (Net of Provision)	**8 62.92**	3 75.87
	Total	**-**	3 07.44

Notes to the financial Statements for the year ended 31st March, 2018

(₹ Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
11	**TRADE PAYABLES**		
	Micro, Small and Medium Enterprises	**-**	-
	Others	**5 87.42**	2 94.93
	Total	**5 87.42**	2 94.93

Note: There are no amount outstanding to Micro, Small and Medium enterprises at March 31, 2018 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

(₹ Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
12	**OTHER CURRENT LIABILITIES**		
	Other Payables[(i)]	**166 55.26**	94 68.05
	Total	**166 55.26**	94 68.05

[(i)] Others include Salary payable and Statutory Dues.

(₹ in lakhs)

		As at 31st March, 2018	As at 31st March, 2017
13	**PROVISIONS-SHORT TERM**		
	Provision for Employee Benefits	**65 28.51**	44 37.83
	Total	**65 28.51**	44 37.83

(₹ in lakhs)

		2017-18	2016-17
14	**OTHER INCOME**		
	Interest		
	From Others	**8.22**	24.49
	Gain on Financial Assets		
	Realised Gain	**9.00**	-
	Total	**17.22**	24.49

(₹ in lakhs)

		2017-18	2016-17
15	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries and Wages	**1216 47.97**	847 45.75
	Contribution to Provident and Other Funds[(i)]	**124 03.46**	95 05.70
	Staff Welfare Expenses	**79 99.35**	56 13.84
	Total	**1420 50.78**	998 65.29

Notes to the financial Statements for the year ended 31st March, 2018

As per Indian Accounting Standard 19 "Employee benefits", the disclosures are given below:

Defined Contribution Plan

Contribution to Defined Contribution Plans , recognised as expense for the year is as under

(₹ in lakhs)

Particulars	**2017-18**	2016-17
Employer's Contribution to Provident Fund	**22 40.84**	16 11.69
Employer's Contribution to Superannuation Fund	**-**	-
Employer's Contribution to Pension Fund	**46 63.14**	36 49.49

Defined Benefit Plan

The Employees Gratuity Scheme managed by Trust is a defined benefit plan. The Present value of obligation is determined based on actuarial valuation using the projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for Compensated Absences is recognised in the same manner as gratuity.

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

Particulars	**2017-18**	2016-17
	Gratuity (Unfunded)	
Defined Benefit Obligations at the beginning of the year	**15 58.24**	20 35.16
Add: on Acquisition/Transfer	**-**	-
Current Service Cost	**13 03.63**	15 35.03
Interest Cost	**1 16.24**	1 62.81
Actuarial (Gain / Loss)	**(5 43.23)**	(20 66.70)
Benefits Paid	**(1 24.85)**	(1 08.06)
Defined Benefit Obligations at year end	**23 10.04**	15 58.24

II. Reconciliation of Fair Value of Assets and Obligations

(₹ in lakhs)

Particulars	**2017-18**	2016-17
	Gratuity (Unfunded)	
Fair Value of Plan Assets	**-**	-
Present Value Obligation	**23 10.04**	15 58.24
Amount Recognised in Balance sheet (Surplus/Deficit)	**23 10.04**	15 58.24

Notes to the financial Statements for the year ended 31st March, 2018

III. Expenses recognised during the year

(₹ in lakhs)

Particulars	**2017-18**	2016-17
	Gratuity (Unfunded)	
In Income Statement	As at 31st March	
Current Service Cost	**13 03.63**	15 35.03
Interest Cost	**1 16.24**	1 62.81
Return on Plan Assets	**-**	-
Actuarial (Gain / Loss)	**-**	-
Net Cost	**14 19.88**	16 97.84
In Other Comprehensive Income		
Actuarial (Gain / Loss)	**5 43.23**	(2 066.70)
Return on Plan Assets	**-**	-
Net (Income)/ Expense For the period Recognised in OCI	**5 43.23**	(2 066.70)

IV. Actuarial assumptions

	2017-18	2016-17
Mortality Table (IALM)	**Gratuity**	
Discount Rate (Per Annum)	**7.46%**	8.00%
Expected Rate of Return on Plan Assets(Per Annum)	**0.00%**	0.00%
Rate of Escalation in Salary (Per Annum)	**6.00%**	6.00%

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.

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

VI. Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade, 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:

(₹ in lakhs)

Particulars	**As at 31st March, 2018**		As at 31st March, 2017	
	Decrease	**Increase**	Decrease	Increase
Change in rate of discounting (delta effect of -/+ 0.5%)	**41.16**	**(39.47)**	(1 16.07)	1 29.63
Change in rate of salary increase(delta effect of -/+ 0.5%)	**(40.39)**	**41.75**	(1 18.11)	1 30.87
Change in rate of employee turnover (delta effect of -/+ 25%)	**387.23**	**(3 22.87)**	(23.97)	21.94
Change in rate of Mortality (delta effect of -/+ 10%)	**(0.50)**	**(2.91)**	-	-

Notes to the financial Statements for the year ended 31st March, 2018

(₹ in lakhs)

		2017-18	2016-17
16	**OTHER EXPENSES**		
	Insurance	**4 51.71**	6 36.61
	Rates and Taxes	**6.17**	4.18
	Travelling and Conveyance Expenses	**64 94.04**	38 72.22
	Payment to Auditors	**5.62**	5.25
	Professional Fees	**2 49.48**	9 26.41
	Contracted Manpower Expenses	**3 24.56**	15 00.52
	Communication Expenses	**15 13.17**	6 62.06
	General Expenses	**98.41**	56.10
	Total	**91 43.16**	76 63.35

			2017-18	2016-17
16.1	**Payment to Auditors as:**			
	a.	Statutory Audit Fees	**3.40**	3.10
	b.	Tax Audit Fees	**0.70**	0.65
	c.	Certification and consultation Fees	**1.52**	1.50
	Total		**5.62**	5.25

16.2 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 ₹ NIL (Previous Year ₹ NIL).

b) Expenditure related to Corporate Social Responsibility is ₹ NIL (Previous Year ₹ NIL).

17 EARNING PER SHARE:

(₹ in lakhs)

		2017-18	2016-17
	Face value Basic Earning Per Share ₹	**2017-18**	2016-17
i	Net Profit after tax as per statement of profit and loss	**14.87**	31.45
ii	Net Profit attributable to Equity Shareholders	**14.87**	31.45
iii	Weighted Average number of equity shares used as denominator for calculating Basic EPS:	**50 000**	50 000
iv	Basic Earnings per share of face value of₹10 each (In ₹)	**29.73**	62.90
	Diluted Earning Per Share ₹	**2017-18**	2016-17
i	Net Profit attributable to Equity Shareholders	**14.87**	31.45
ii	Weighted Average number of equity shares used as denominator for calculating Basic EPS:	**50 000**	50 000
iii	Add: Number of Zero Coupon Unsecured Optionally Fully Convertible Debentures (OFCDs)	**112 72 580**	94 19 556
iv	Weighted Average number of equity shares used as denominator for calculating Diluted EPS:	**112 72 580**	94 69 556
v	Diluted Earnings per share of face value of ₹ 10 each (In ₹)	**0.13**	0.33

Notes to the financial Statements for the year ended 31st March, 2018

18 RELATED PARTY DISCLOSURES

As per Ind AS 24, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

(i) List of related parties where control exists and related parties with whom transactions have taken place and the relationship:

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industries Limited	Ultimate Holding Company
2	Reliance Industrial Investments and Holdings Limited	Holding Company
3	Reliance Corporate IT Park Limited	
4	Reliance Retail Limited	Fellow Subsidiary Company
5	Reliance Jio Infocomm Limited	
6	Reliance Retail Insurance Broking Limited	
7	Reliance Brands Limited	
8	Reliance Lifestyle Holdings Limited	
9	Reliance Clothing India Private Limited	
10	Reliance Jioinfratel Private Limited	
11	Reliance Trading Limited (up to 24-08-2016) amalgamated with Reliance Industries Investments and Holdings Limited appt. date 01-10-2016 w.e.f. 18-12-2017	
12	Reliance Gas Lifestyle India Private Limited (Formerly Reliance Brands Luxury Private Limited)	
13	Reliance Bally India Private Limited (Formerly Reliance Luxury Fashion Private Limited)	Other Joint Venture
14	Brooks Brothers India Private Limited	
15	Diesel Fashion India Reliance Private Limited	
16	Reliance Paul & Shark Fashions Private Limited	
17	Ryohin-Keikaku Reliance (I) Private Limited	
18	Zegna South Asia Private Limited	

(ii) Transactions during the year with related parties: ₹ in Lakhs

Sr. No.	Nature of Transactions (Excluding reimbursements)	Holding/Ultimate Company	Fellow Subsidiary/ Associates Company/ Other Joint Venture	Total
1	Purchase of Fixed Asset	**-**	**95.09**	**95.09**
		-	*80.07*	*80.07*
2	Revenue from Operations	**1653 97.52**	**122 10.76**	**1776 08.28**
		1068 50.97	*145 54.17*	*1214 05.04*
3	Professional Fees	**10 55.25**	**-**	**10 55.25**
		10 34.25	-	*10 34.25*
4	Allotment of ZOFCD	**-**	-	**-**
		11 27.26	-	11 27.26
5	Service received	**0.55**	**8 23.52**	**8 24.07**
		-	-	-

Notes to the financial Statements for the year ended 31st March, 2018

Sr. No.	Nature of Transactions (Excluding reimbursements)	Holding/Ultimate Company	Fellow Subsidiary/ Associates Company/ Other Joint Venture	Total
Balance as on 31st March, 2018				
1	Share Capital	**5.00**	**-**	**5.00**
		5.00	-	*5.00*
2	ZOFCD	**11 27.26**	-	**11 27.26**
		11 27.26	-	*11 27.26*
3	Trade Receivable	**155 94.36**	**8 48.40**	**164 42.76**
		84 05.86	*7 20.24*	*91 26.81*
4	Trade Payable	**0.55**	-	**0.55**
		-	-	-

Note :
Figures in Italic represents Previous Year's amount.

(iii) Disclosure in Respect of Major Related Party Transactions during the year: ₹ in Lakhs

	Particulars	Relationship	2017-18	2016-17
1	**Revenue from Operations**			
	Reliance Corporate IT Park Limited	Holding Company	**1653 97.52**	1068 50.97
	Reliance Jio Infratel Private Limited	Fellow Subsidiary Company	**-**	89 72.74
	Reliance Retail Limited	Fellow Subsidiary Company	**108 01.56**	43 64.39
	Reliance Retail Insurance Broking Limited	Fellow Subsidiary Company	**-**	2 00.00
	Reliance Brands Limited	Fellow Subsidiary Company	**7 47.69**	3 96.81
	Reliance Lifestyle Holdings Limited	Fellow Subsidiary Company	**1 57.04**	1 54.30
	Reliance Trading Limited (up to 24-08-2016) amalgamated with Reliance Industries Investments and Holdings Limited appt. date 01-10-2016 w.e.f 18-12-2017	Fellow Subsidiary Company	**-**	17.83
	Reliance Clothing India Private Limited	Fellow Subsidiary Company	**3 12.41**	2 79.97
	Reliance Gas Lifestyle India Private Limited (Formerly Reliance Brands Luxury Private Limited)	Fellow Subsidiary Company	**50.54**	-
	Reliance Bally India Private Limited (formerly Reliance Luxury Fashion Private Limited)	Other Joint Venture	**1.94**	-
	Brooks Brothers India Private Limited	Other Joint Venture	**51.31**	-
	Diesel Fashions India Reliance Private Ltd.	Other Joint Venture	**43.08**	-
	Reliance Paul & Shark Fashions Private Ltd.	Other Joint Venture	**8.26**	-
	Ryohin-Keikaku Reliance India Private Ltd.	Other Joint Venture	**23.61**	-
	Zegna South Asia Private Limited	Other Joint Venture	**13.32**	-
2	**Purchase of Fixed Asset**			
	Reliance Retail Limited	Fellow Subsidiary Company	**95.09**	80.07
3	**Allotment of ZOFCD**			
	Reliance Corporate IT Park Limited	Holding Company	**-**	11 27.26

Notes to the financial Statements for the year ended 31st March, 2018

	Particulars	Relationship	2017-18	2016-17
4	Professional Fees			
	Reliance Corporate IT Park Limited	Holding Company	**10 55.25**	10 34.25
5	Services received			
	Reliance Industries Limited	Ultimate Holding Company	**0.55**	-
	Reliance Jio Infocom Limited	Fellow Subsidiary Company	**8 23.52**	-

19 Capital Management

The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the company consists of net debt (borrowings as detailed in note 10) and total equity of the company.

19.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows.

₹ in Lakhs

	As at 31st March, 2018	As at 31st March, 2017
Gross Debt	**-**	-
Cash and bank balance	**17.31**	66.58
Net debt (A)	**-17.31**	-66.58
Total Equity (B)	**10 93.61**	14 72.08
Net Gearing (A / B)	-	-

Debt is defined as long-term and short-term borrowings.

19.2 Fair Value Measurement

₹ in Lakhs

Particulars	As at 31st March, 2018			As at31st March, 2017		
	Carrying amount	Level of Input used in		Carrying amount	Level of Input used in	
		Level 1	Level 2		Level 1	Level 2
Financial Assets						
At Amortised Cost						
Trade Receivables	164 44.52		-	91 28.13		-
Cash and Cash Equivalents	17.31			66.58		
Other Financial Assets	1 17.94			54.31		
Financial Liabilities						
At Amortised Cost						
Borrowings	-	-				
Trade Payables	5 87.42	-		2 94.93		
Other Financial Liabilities	-	-		-	-	

Notes to the financial Statements for the year ended 31st March, 2018

The financial instruments are categorized into two 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; and

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

Liquidity Risk

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

Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the company. It arises from cash and cash equivalents, derivative financial instruments, deposits from financial institutions and principally from credit exposures to customers relating to outstanding receivables.

19.3 Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk and market risk.

This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

Risk	Exposure arising from	Measurement	Mitigation
Credit risk	**Cash and cash equivalents, trade receivables, derivative financial assets and other financial assets**	Ageing analysis, Credit ratings	Dealing with highly rated counterparties as a policy along with pre-defined credit limits, concentration limits and derivative notional limits.
Liquidity Risk	**Borrowings and other liabilities.**	Maturity bucketing, Rolling cash-flow forecasts	Availability of committed credit lines, borrowing facilities, high quality liquid investments
Market risk – Interest risk	**Fixed-Income Investments.**	Sensitivity analysis, Price value per basis point (PVBP) monitoring	Duration bucketing and reinvestment risk management

The company's risk management is carried out by the company as per policies approved by the management. The company identifies, evaluates and mitigates financial risk in close co-operation with its operation team. The company's overall risk management programme focuses on unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

A) Market Risk

The Company effectively manages its cash and cash equivalents through a diversified investment portfolio which has an appropriate mix of steady accrual, tax efficient and higher duration assets with lower reinvestment risk. The portfolio consists of wide ranging fixed income instruments, viz. top rated mutual fund investments and bank fixed deposits. The diversification across instruments and counterparties ensures that there is minimal concentration risk.

The investment portfolio is monitored and operated under a robust risk management framework with a very nimble and dynamic adjustment to portfolio mix as and when necessary to ensure capital protection and appropriate risk adjusted.

B) Liquidity Risk

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

Notes to the financial Statements for the year ended 31st March, 2018

C) Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the company. It arises from cash and cash equivalents, derivative financial instruments, deposits from financial institutions and principally from credit exposures to customers relating to outstanding receivables.

20. The Company's major activity is providing manpower recruitment or supply agency and activity related to human resource engagement. According there is no separate reportable segment as per Ind AS 108 - "Operating Segments".

21 Approval of financial statements

The financial statements were approved for issue by the board of directors on 24th April, 2018.

As per our Report of even date

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

Jignesh Mehta
Partner
Membership No.: 102749

Place : Mumbai
Date : April 24, 2018

For and on behalf of the Board

Sanjay Jog Director	**K. Sudarshan** Director	**Pramod Bhawalkar** Director
Jagmohanlal Bhamri Director	**Geeta Fulwadaya** Director	**G. Venkatesh** Director