RELIANCE PETRO MARKETING LIMITED
Financial Statements
FY 2016-17

Independent Auditor's Report

TO THE MEMBERS OF RELIANCE PETRO MARKETING LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance Petro Marketing Limited**("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position) , profit or loss(financial performance including other comprehensive income) , cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards(Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 22 to the 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.

   iv. The Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management as referred in Note 28 to the financial statements.

For **Pathak H.D. & Associates**
Chartered Accountants
(Firm Registration no.107783W)

Ashutosh Jethlia
Partner
Membership No.: 136007

Place: Mumbai
Date: April 17, 2017

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE PETRO MARKETING 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) According to the information and explanations given to us and the title deeds / lease deeds and other records examined by us, we report that the title deeds / lease deeds in respect of all the immovable properties of lands which are freehold, immovable properties of land that have been taken on lease and disclosed as fixed assets in the financial statement and buildings are held in the Company's name or in the Company's erstwhile name as at the balance sheet date.

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

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

iv) Company not directly or indirectly advanced loan to the persons covered under Section 185 of the Act or given guarantees or securities in connection with the loan taken by such persons. Company has not made any investments or given any loan or any guarantee or security in connection with the loan to any person or body corporate covered under section 186 of the Act. Consequently, the requirement of clause (iv) of paragraph 3 of the Order is not applicable to the Company.

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) 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) In respect of Statutory dues :

a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, dues of income tax and sales tax which have not been deposited as on 31st March, 2017 on account of disputes are given below:

Sr. No.	Name of the Statute	Nature of the Dues	Amount (₹ in lakh)	Period to which the amount relates	Forum where dispute is pending
1	Central Sales Tax Act, 1956 and Sales Tax Acts of various states	Sales Tax/VAT and Entry Tax	24 59.91	2005-06 and 2010-11	Joint/Deputy Commissioner/ Commissioner (Appeals)
			14 91.22	2003-04 to 2005-06 and 2008-09	Sales Tax Appellate Tribunal
			11.64	Sep 2007 - Aug 2008	Supreme Court
	TOTAL		**39 62.77**		

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

ix) The company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purpose for which they are raised.

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

xi) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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

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

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

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

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

For **Pathak H.D. & Associates**
Chartered Accountants
(Firm Registration no.107783W)

Ashutosh Jethlia
Partner
Membership No.: 136007

Place: Mumbai
Date: April 17, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE PETRO MARKETING 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 Petro Marketing Limited**("the Company") as of 31st March, 2017 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("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI 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 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, 2017, 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 issued by the ICAI.

For **Pathak H.D. & Associates**
Chartered Accountants
(Firm Registration no.107783W)

Ashutosh Jethlia
Partner
Membership No.: 136007

Place: Mumbai
Date: April 17, 2017

Balance Sheet As at 31st March, 2017

₹ in Lakh

	Note		**As at 31st March, 2017**		As at 31st March, 2016		As at 1st April, 2015
ASSETS							
Non-Current Assets							
Property, Plant and Equipment	1	**55 09.16**		48 27.40		45 39.72	
Other Non- Current Assets	2	**15 68.65**		17 15.51		17 53.93	
Total Non-Current Assets			**70 77.81**		65 42.91		62 93.65
Current Assets							
Inventories	3	**160 89.01**		87 02.93		37 84.37	
Financial Assets							
Investments	4	**190 78.33**		0.02		75 00.02	
Trade Receivables	5	**100 33.98**		30 70.84		1 17.26	
Cash and cash equivalents	6	**30 21.78**		113 46.31		27 95.86	
Other Current Assets	7	**66 18.54**		38 07.80		15 34.31	
Total Current Assets			**548 41.64**		269 27.90		157 31.82
Total Assets			**619 19.45**		334 70.81		220 25.47
EQUITY AND LIABILITIES							
Equity							
Equity Share Capital	8	**5.00**		5.00		5.00	
Other Equity	9	**44 98.11**		16 93.95		22 73.33	
Total Equity			**45 03.11**		16 98.95		22 78.33
Non-Current Liabilities							
Deferred Tax Liability (Net)	10		**13 76.98**		4 32.25		7 92.26
Current Liabilities							
Financial Liabilities							
Trade Payables	11	**298 88.68**		102 77.31		55 07.43	
Other Financial Liabilites	12	**175 25.66**		156 56.77		127 02.39	
Provisions	13	**80.27**		84.66		71.36	
Other Current Liabilities	14	**85 44.75**		53 20.87		6 73.70	
Total Current Liabilities			**560 39.36**		313 39.61		189 54.88
Total Liabilities			**574 16.34**		317 71.86		197 47.14
Total Equity and Liabilities			**619 19.45**		334 70.81		220 25.47
Significant Accounting Policies							
Notes to Financial Statements	1 to 30						

As per our Report of even date	For and on behalf of the Board		
For **Pathak H.D. & Associates** Chartered Accountants	**P. Rahgavendran** Chairman		
Ashutosh Jethlia Partner	**C. S. Borar** Director	**S. K. Bhardwaj** Director	
Place : Mumbai Dated : 17th April, 2017	**Harisha Kumar** Whole-time-director	**G. K. Fulwadaya** Director	**C. S. Gokhale** Director

Statement of Profit and Loss for the year ended 31st March, 2017

₹ in Lakh

	Note	2016-17	2015-16
INCOME			
Revenue from Operations	15	**6356 56.30**	2198 75.33
Other Income	16	**4 02.91**	7 10.93
Total Income		**6360 59.21**	2205 86.26
EXPENSES			
Purchases of Stock-in-Trade		**6203 61.01**	2146 68.29
Changes in Inventories of Stock-in-Trade	17	**(75 03.52)**	(47 93.37)
Employee Benefits Expenses	18	**21 41.26**	13 56.06
Finance Costs		**0.24**	0.35
Depreciation / Amortisation		**6 36.62**	5 24.96
Other Expenses	19	**163 06.95**	96 50.68
Total Expenses		**6319 42.56**	2214 06.97
Profit / (Loss) Before Tax		**41 16.65**	(8 20.71)
Tax Expenses			
Current Tax	2.1	**8 78.56**	-
Less: MAT Credit Reversed		**-**	1 31.09
Deferred Tax	10	**9 44.73**	(3 60.01)
Profit / (Loss) for the Year		**22 93.36**	(5 91.79)
Other Comprehensive Income			
(i) Items that will not be reclassified to Statement of Profit and Loss			
Remeasurement of Defined Benefit Plans		**(28.94)**	15.78
Income tax relating to items that will not be reclassified to Statement of Profit and Loss		**6.18**	(3.37)
(ii) Items that will be reclassified to Statement of Profit and Loss			
Debt instruments through Other Comprehensive Income		**6 78.32**	-
Income tax relating to items that will be reclassified to Statement of Profit and Loss		**(1 44.76)**	-
Total Comprehensive Income for the year		**28 04.16**	(5 79.38)
Earning/(Loss) per Equity Share of face value ₹10 each			
Basic (in ₹)	20	**5 608.31**	(1 158.75)
Diluted (in ₹)	20	**4 624.65**	(955.51)
Significant Accounting Policies			
Notes to Financial Statements	1 to 30		

As per our Report of even date

For **Pathak H.D. & Associates**
Chartered Accountants

Ashutosh Jethlia
Partner

Place : Mumbai
Dated : 17th April, 2017

For and on behalf of the Board

P. Rahgavendran
Chairman

C. S. Borar
Director

S. K. Bhardwaj
Director

Harisha Kumar
Whole-time-director

G. K. Fulwadaya
Director

C. S. Gokhale
Director

Statement of Changes in Equity for the year ended 31st March, 2017

₹ in Lakh

A. Equity Share Capital

Balance at the beginning of the reporting period i.e.1st April, 2015	Changes in Equity Share Capital during the FY 2015-16	Balance at the end of the reporting period i.e. 31st March, 2016	Changes in Equity Share Capital during the FY 2016-17	Balance at the end of the reporting period i.e. 31st March, 2017
5.00	-	5.00	-	5.00

B. Other Equity ₹ in Lakh

Particulars	Equity component of compound financial instrument	Reserves and Surplus			Other Comprehensive Income		
	10% Non Cumulative Optionally Convertible Preference Shares *	Capital Redemption Reserve	Securities Premium Reserve	Retained Earnings	Debt Instruments through OCI	Remeasurement of Defined Benefit Plan	Total
As on 31st March 2016							
Balance at the beginning of the reporting period i.e. 1st April, 2015	3 99.58	6.02	7 14.50	11 40.47	-	12.76	22 73.33
Total Comprehesive Income for the year	-	-	-	(5 91.79)	-	12.41	(5 79.38)
Balance at the end of the reporting period i.e. 31st March, 2016	3 99.58	6.02	7 14.50	5 48.68	-	25.17	16 93.95
As on 31st March 2017							
Balance at the beginning of the reporting period i.e. 1st April, 2016	3 99.58	6.02	7 14.50	5 48.68	-	25.17	16 93.95
Total Comprehensive Income for the year	-	-	-	22 93.36	5 33.56	(22.76)	28 04.16
Balance at the end of the reporting period i.e. 31st March, 2017	**3 99.58**	**6.02**	**7 14.50**	**28 42.04**	**5 33.56**	**(2.41)**	**44 98.11**

* Refer note 9.1 to 9.4 for Details of 10% Non Cumulative Optionally Convertible Preference Shares.

As per our Report of even date

For **Pathak H.D. & Associates**
Chartered Accountants

Ashutosh Jethlia
Partner

Place : Mumbai
Dated : 17th April, 2017

For and on behalf of the Board

P. Rahgavendran
Chairman

C. S. Borar
Director

S. K. Bhardwaj
Director

Harisha Kumar
Whole-time-director

G. K. Fulwadaya
Director

C. S. Gokhale
Director

Cash Flow Statement for the year ended 31st March, 2017

			2016-17		₹ in Lakh 2015-16
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit/(Loss) before tax as per Statement of Profit and Loss		**41 16.65**		(8 20.71)
	Adjusted for:				
	Depreciation / Amortisation	**6 36.62**		5 24.96	
	Actuarial gain/loss on Defined Benefit Plan	**(28.94)**		15.78	
	Loss on Sale / Discard of Property, Plant & Equipment	**-**		2.29	
	Finance Cost	**0.24**		0.35	
	Effect of Foreign Exchange Fluctuation	**(0.76)**		-	
	Interest Income	**(1 11.88)**		(2 12.50)	
			4 95.28		3 30.88
	Operating Profit/(Loss) before Working Capital Changes		**46 11.93**		(4 89.83)
	Adjusted for:				
	Trade & Other Payables	**246 99.75**		123 84.73	
	Trade & Other Receivables	**(98 10.81)**		(52 65.55)	
	Inventories	**(73 86.08)**		(49 18.56)	
			75 02.86		22 00.62
	Cash Generated/(Used) from Operations		**121 14.79**		17 10.79
	Taxes Paid		**(8 36.87)**		(54.51)
	Net Cash Generated from Operating Activities		**112 77.92**		16 56.28
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Investment		**(184 00.00)**		-
	Sale of Investment		**-**		75 00.00
	Purchase of Property, Plant & Equipment		**(13 18.40)**		(8 14.93)
	Interest Received		**1 09.17**		2 09.45
	Net Cash Generated from/(Used in) Investing Activities		**(196 09.22)**		68 94.52
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Finance Cost		**(0.24)**		(0.35)
	Net Cash (Used in) Financing Activities		**(0.24)**		(0.35)
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**(83 31.55)**		85 50.45
	Opening Balance of Cash & Cash Equivalents		**112 46.31**		26 95.86
	Closing Balance of Cash & Cash Equivalents*		**29 14.76**		112 46.31

*Refer note 6

As per our Report of even date	For and on behalf of the Board		
For **Pathak H.D. & Associates** Chartered Accountants	**P. Rahgavendran** Chairman		
Ashutosh Jethlia Partner	**C. S. Borar** Director	**S. K. Bhardwaj** Director	
Place : Mumbai Dated : 17th April, 2017	**Harisha Kumar** Whole-time-director	**G. K. Fulwadaya** Director	**C. S. Gokhale** Director

Notes on Financial Statements for the year ended 31st March, 2017

Significant Accounting Policies

A. CORPORATE INFORMATION

Reliance Petro Marketing Limited ("the Company") is a wholly owned subsidiary of Reliance Retail Limited. The registered address of the company is 5th Floor, Court House, Lokmanya Tilak Marg, Dhobi Talao, Mumbai 400 002. The Company is in retail selling and distribution of petroleum and related products in India.

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.

(ii) Defined benefit plans - plan assets.

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.

Upto the year ended March 31, 2016, the Company has prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

These financial statements are the Company`s first Ind AS standalone financial statements.

Company's financial statements are presented in Indian Rupees (₹), which is also 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 recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

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.

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 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.

Gains or losses arising from derecognition of a property, plant and equipment 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.

(b) Inventories :

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

Cost of stores and spares, trading and other products are determined on weighted average basis.

(c) Impairment of non-financial assets - property, plant and equipment

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable

Notes on Financial Statements for the year ended 31st March, 2017

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.

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

(d) 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.

(e) 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

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's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans

The 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 respective IT 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.

(f) Tax Expenses

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

- **Current tax**

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

Notes on Financial Statements for the year ended 31st March, 2017

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.

(g) 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, are capitalized as cost of assets.

(h) 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.

(i) Financial instruments

(i) Financial Assets

A. Initial recognition and measurement:

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

B. Subsequent measurement

a) Financial assets carried 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 at fair value through other comprehensive income (FVTOCI)

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

c) Financial assets 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.

Notes on Financial Statements for the year ended 31st March, 2017

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'.

D. 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:

a) 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

b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

(ii) Financial liabilities

A. Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of loans, 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 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.

(j) Leases

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

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. 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 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. 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

Notes on Financial Statements for the year ended 31st March, 2017

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 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 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 revised if there are significant changes from previous estimates.

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. FIRST TIME ADOPTION OF IND AS:

The Company has adopted Ind AS with effect from 1st April 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Retained Earnings as at 1st April 2015. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

a) Exemptions from retrospective application:

i) Fair value as deemed cost exemption:

The Company has elected to measure items of property, plant and equipment assets at its carrying value at the transition date.

Notes on Financial Statements for the year ended 31st March, 2017

1. PROPERTY, PLANT AND EQUIPMENT

₹ in Lakh

Description	Gross Block						Depreciation						Net Block		
	As at 01-04-2015	Additions/ (deductions)/ adjustments	As at 01-04-2016	Additions/ Adjustments	Deductions/ Adjustments	**As at 31-03-2017**	As at 01-04-2015	Additions/ (deductions)/ adjustments	As at 01-04-2016	For the Year	Deductions/ Adjustments	**As at 31-03-2017**	**As at 31-03-2017**	As at 31-03-2016	As at 01-04-2015
Own Assets :															
Land-Freehold	3 72.24	-	3 72.24	-	-	**3 72.24**	-	-	-	-	-	**-**	**3 72.24**	3 72.24	3 72.24
Building	3 85.43	19.72	4 05.15	-	-	**4 05.15**	1 11.23	21.91	1 33.14	24.53	-	**1 57.67**	**2 47.48**	2 72.01	2 74.20
Plant and Machinery	76 87.41	7 68.50	84 55.91	13 18.40	-	**97 74.31**	39 10.69	4 64.07	43 74.76	5 86.34	-	**49 61.10**	**48 13.21**	40 81.15	37 76.72
Equipments*	55.91	18.67	74.58	-	-	**74.58**	33.12	17.99	51.11	11.00	-	**62.11**	**12.47**	23.47	22.79
Furniture and fixtures	15.11	(0.15)	14.96	-	-	**14.96**	6.04	1.47	7.51	1.43	-	**8.94**	**6.02**	7.45	9.07
Vehicles	61.07	(4.50)	56.57	-	-	**56.57**	18.59	13.09	31.68	12.13	-	**43.81**	**12.76**	24.89	42.48
Electrical Installations*	-	8.19	8.19	-	-	**8.19**	-	3.72	3.72	0.70	-	**4.42**	**3.77**	4.47	
Sub-Total (A)	85 77.17	8 10.43	**93 87.60**	**13 18.40**	**-**	**107 06.00**	40 79.67	5 22.25	**46 01.92**	**6 36.13**	**-**	**52 38.05**	**54 67.95**	47 85.68	44 97.50
Leased Assets :															
Leasehold land	50.63	-	50.63	-	-	**50.63**	8.41	0.50	8.91	0.51	-	**9.42**	**41.21**	41.72	42.22
Sub-Total (B)	50.63	-	**50.63**	**-**	**-**	**50.63**	8.41	0.50	**8.91**	**0.51**	**-**	**9.42**	**41.21**	41.72	42.22
Total (A+B)	86 27.80	8 10.43	**94 38.23**	**13 18.40**	**-**	**107 56.63**	40 88.08	5 22.75	**46 10.83**	**6 36.64**	**-**	**52 47.47**	**55 09.16**	48 27.40	45 39.72

Notes to the Financial Statements for the year ended 31st March, 2017

₹ in Lakh

2	OTHER NON CURRENT ASSETS (Unsecured and Considered Good)	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	Advance Income Tax (Net of Provision) - Refer note 2.1(b)	**2 99.25**	4 79.52	5 59.47
	Deposits	**12 65.71**	12 32.43	11 93.23
	Other Loans and Advances*	**3.69**	3.56	1.23
	Total	**15 68.65**	17 15.51	17 53.93

*Includes loan to employees

2.1 TAXATION

₹ in Lakh

		As at 31st March, 2017	As at 31st March, 2016
(a)	**Income tax recognised in the Statement of Profit or Loss**		
	Current tax	**8 78.56**	-
	Deferred tax		
	In respect of the current year	**9 44.73**	(3 60.01)
	MAT credit reversed	**-**	1 31.09
	Total income tax expenses recognised in the current year	**18 23.29**	(2 28.92)

The income tax expenses for the year can be reconciled to the accounting profit as follows:

₹ in Lakh

Particulars	As at 31st March, 2017	As at 31st March, 2016
Profit before tax	**41 16.65**	(8 20.71)
Applicable Tax Rate	**34.608%**	34.608%
Computed Tax Expense	**14 24.69**	-
Tax Effect of :		
Expenses not allowed	**1.51**	
Additional allowances	**(7 95.33)**	
MAT Credit generated during the year	**2 47.69**	1 31.09
Current Tax Provision (A)	**8 78.56**	1 31.09
Incremental deferred tax liability on account of PPE	**3 16.69**	1 04.12
Incremental deferred tax liability on account of Financial Assets and Other Items	**6 28.04**	(4 64.13)
Deferred Tax Provision (B)	**9 44.73**	(3 60.01)
Income tax expenses recognised in the Statement of Profit and loss (A+B)	**18 23.29**	(2 28.92)
Effective Tax Rate	**44.29%**	-

₹ in Lakh

(b)	CURRENT TAX ASSETS (NET)	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	At Start of the year	**4 79.52**	5 59.47	
	Charge for the year	**(10 17.14)**	(3.37)	
	Over provision prior period	**-**	(1 31.09)	
	Tax paid during the year (net of refund)	**8 36.87**	54.51	
	At the end of the year	**2 99.25**	4 79.52	5 59.47

Notes to the Financial Statements for the year ended 31st March, 2017

₹ in Lakh

3	INVENTORIES	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	Stores, Spares and other Consumables	**3 45.10**	4 62.54	3 37.35
	Stock-in-Trade *	**157 43.91**	82 40.39	34 47.02
	Total	**160 89.01**	87 02.93	37 84.37

* Stock-in-Trade includes Material in Transit of ₹ 32 73.36 Lakh (Previous Year ₹ 3 58.76 Lakh)

₹ in Lakh

4	CURRENT INVESTMENTS	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		Units	**Amount**	Units	Amount	Units	Amount
	Investments measured at Fair Value through Other Comprehensive Income (FVTOCI)						
	In Equity Shares - Unquoted, fully paid up						
	Air Controls and Chemical Engg. Co. Ltd. of ₹ 1 each	**1,000**	**0.02**	1,000	0.02	1,000	0.02
	In Units of Mutual Fund - Unquoted, fully paid up						
	Birla Sun Life Dynamic Bond Fund - Retail - Growth - Direct Plan of ₹ 10 each	**1,78,43,469.918**	**53 02.69**	-	-	-	-
	IDFC Corporate Bond Fund - Direct - Growth Plan of ₹ 10 each	**12,28,22,345.114**	**137 75.62**	-	-	-	-
	In Debentures of fellow Subsidiary Company - Unquoted, fully paid up						
	0% Unsecured Convertible Redeemable	**-**	-	-	-	75,00,000	75 00.00
	Debenture of Reliance Brands Limited of ₹ 100 each						
	Sub-Total		**190 78.33**		0.02		75 00.02
	Total Current Investments		**190 78.33**		0.02		75 00.02
	Aggregate amount of Quoted Investment		**-**		-		-
	Market Value of Quoted Investment		**-**		-		-
	Aggregate amount of Unquoted Investment		**190 78.33**		0.02		75 00.02

Notes to the Financial Statements for the year ended 31st March, 2017

₹ in Lakh

4.1	Category-wise Current Investment	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	Financial assets measured at Fair value through other comprehensive income (FVTOCI)	**190 78.33**	0.02	75 00.02
	Total current investment	**190 78.33**	0.02	75 00.02

₹ in Lakh

5	TRADE RECEIVABLE (Unsecured and Considered Good)	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	Trade Receivable	**100 33.98**	30 70.84	1 17.26
	Total	**100 33.98**	30 70.84	1 17.26

₹ in Lakh

6	CASH AND CASH EQUIVALENTS		As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015
(a)	Cash on hand		**26 90.31**		12 68.25		1 27.45
(b)	Balances with Bank						
	(i) in Current Accounts	**2 24.45**		1 31.72		3 96.98	
	(ii) in Deposits	**-**	**2 24.45**	98 46.34	99 78.06	21 71.43	25 68.41
			29 14.76		112 46.31		26 95.86
	Other Bank Balances						
(a)	in Deposits*		**1 07.02**		1 00.00		1 00.00
	Cash and Cash equivalents as per Balance Sheet		**30 21.78**		113 46.31		27 95.86
	Cash and Cash equivalents as per Statement of Cash Flow		**29 14.76**		112 46.31		26 95.86

6.1 * The Company has placed Fixed Deposits amounting to ₹ 1 07 Lakh as lien for Bank Guarantees issued favouring various Beneficiaries amounting to Rs.0.17 Lakh (Previous Year ₹ 1 00 Lakh under lien as security for Guarantees and temporary overdraft facility from a bank)

6.2 Cash and cash equivalents includes deposits maintained by the Company with banks, which can be withdrawn by the Company at any point of time without prior notice or penalty on the principal.

6.3 Refer note 28 for details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016.

₹ in Lakh

7.	OTHER CURRENT ASSETS (Unsecured and Considered Good)	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(a)	Balances with Government Authorities	**62 64.34**	35 00.11	12 63.36
(b)	Prepaid Expenses	**2 43.28**	2 55.27	2 35.27
(c)	Others*	**1 10.92**	52.42	35.68
	Total	**66 18.54**	38 07.80	15 34.31

* Includes advances to employees & advances to Vendors

Notes to the Financial Statements for the year ended 31st March, 2017

8 SHARE CAPITAL

₹ in Lakh

	As at 31st March, 2017 Units	As at 31st March, 2017 Amount	As at 31st March, 2016 Units	As at 31st March, 2016 Amount	As at 1st April, 2015 Units	As at 1st April, 2015 Amount
<u>Authorised Share Capital</u>						
Equity Shares of ₹ 10 each	**50 00 000**	**5 00.00**	50 00 000	5 00.00	50 00 000	5 00.00
Preference Shares of ₹10 each	**50 00 000**	**5 00.00**	50 00 000	5 00.00	50 00 000	5 00.00
Total		**10 00.00**		10 00.00		10 00.00
Issued, Subscribed and Paid up						
Equity Shares of ₹10 each fully paid up	**50 000**	**5.00**	50 000	5.00	50 000	5.00
Total		**5.00**		5.00		5.00

8.1 Details of Shareholder's holding more than 5% Equity Shares

Name of the Shareholders	As at 31st March, 2017 No. of Shares	As at 31st March, 2017 % held	As at 31st March, 2016 No. of Shares	As at 31st March, 2016 % held	As at 1st April, 2015 No. of Shares	As at 1st April, 2015 % held
<u>Equity Shares</u>						
Reliance Retail Limited (Holding Company)	**50,000**	**100**	50,000	100	50,000	100

8.2 The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31st March, 2017 No. of Shares	As at 31st March, 2016 No. of Shares	As at 1st April, 2015 No. of Shares
Equity Shares at the beginning of the year	**50 000**	50 000	50 000
Add: Equity Share issued during the year	**-**	-	-
Less:Equity Share bought back during the year	**-**	-	-
Equity Outstanding at the end of the year	**50 000**	50 000	50 000

8.3 Rights, Preferences and Restrictions attached to Equity Shares

The Company has one class of Equity Shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

9 OTHER EQUITY

₹ in Lakh

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Equity component of compound financial instrument			
10% Non Cumulative Optionally Convertible Preference Shares			
As per Last Balance Sheet	**3 99.58**	3 99.58	3 99.58
Capital Redemption Reserve			
As per last Balance sheet	**6.02**	6.02	6.02
Securities Premium Reserve			
As per last Balance Sheet	**7 14.50**	7 14.50	7 14.50

Notes to the Financial Statements for the year ended 31st March, 2017

Retained Earnings					
As per last Balance Sheet	**5 48.68**		11 40.47		
Add: Profit for the Year	**22 93.36**	**28 42.04**	(5 91.79)	5 48.68	11 40.47
Other Comprehensive Income					
AS per last Balance Sheet	**25.17**		12.76		
Add: Movement in OCI (Net) during the year	**5 10.80**	**5 35.97**	12.41	25.17	12.76
Total		**44 98.11**		16 93.95	22 73.33

9.1 Details of Shareholder's holding more than 5% Preference Shares (10% Non Cumulative Optionally Convertible Preference Shares)

Name of the Shareholder	**As at 31st March, 2017**		As at 31st March, 2016		As at 1st April, 2015	
	No. of Shares	**% held**	No. of Shares	% held	No. of Shares	% held
Preference share						
Reliance Retail Limited (Holding Company)	**39,95,800**	**100**	39,95,800	100	39,95,800	100

9.2 Terms of 10% Non Cumulative Optionally Convertible Preference Shares

Redeemable at the end of ten years from the date of allotment i.e. 25.11.2013 at a price of ₹ 260 per share. The Preference Shareholder have an option for early redemption any time after expiry of forty five days from the date of allotment by giving not less than Seven days notice. The Issuer and the preference shareholders will have an option for early conversion at any time by giving one month notice to the other party. The conversion of the Preference Shares will be based on higher of the book value or face of the share as at 31st March, 2015.

9.3 Rights, Preferences and Restrictions attached to Preference Shares

The Company has one class of Preference Shares i.e. 10% Non Cumulative Optionally Convertible Preference Shares of ₹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.

9.4 The reconciliation of the number of 10% Non Cumulative Optionally Convertible Preference Shares outstanding is set out below :

Particulars	**As at 31st March, 2017 No. of Shares**	As at 31st March, 2016 No. of Shares	As at 1st April, 2015 No. of Shares
Preference Shares at the beginning of the year	**39 95 800**	39 95 800	39 95 800
Add: Preference Shares issued during the year	**-**	-	-
Less: Preference Share redeemed during the year	**-**	-	-
Preference Share Outstanding at the end of the year	**39 95 800**	39 95 800	39 95 800

Notes to the Financial Statements for the year ended 31st March, 2017

10 DEFERRED TAX LIABILITY (NET)

The movement on the deferred tax account is as follows:

₹ in Lakh

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
At the Start of the Year	**4 32.25**	7 92.26	
Charge/(credit) to Profit or Loss	**9 44.73**	(3 60.01)	
At the end of the year	**13 76.98**	4 32.25	7 92.26

Component of Deferred tax liabilities / (asset)

₹ in Lakh

Deferred tax liabilities / asset in relation to:	**As at 31st March, 2016**	**Charge/(credit) to Profit/ Loss**	**As at 31st March 2017**
Property, plant and equipment	**11 09.70**	**3 16.69**	**14 26.39**
Others (carry forward losses and disallowances)	**(6 77.44)**	**6 28.04**	**(49.40)**
Total	**4 32.26**	**9 44.72**	**13 76.98**

₹ in Lakh

11 TRADE PAYABLES	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
Micro and small Enterprises	**1 88.20**	3.52	-
Others	**297 00.48**	102 73.79	55 07.43
Total	**298 88.68**	102 77.31	55 07.43

11.1 Trade Payables

There is no principal amount and interest overdue to Micro and Small Enterprises. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

₹ in Lakh

Particulars	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
Principal amount due and remaining unpaid	-	-	-
Interest due on above and unpaid Interest	-	-	-
Interest paid	-	-	-
Payment made beyond the appointed day during the year	-	-	-
Interest due and payable for the period of delay	-	-	-
Interest accrued and remaining unpaid	-	-	-
Amount of further interest remaining due and payable in succeeding years	-	-	-

₹ in Lakh

12 OTHER FINANCIAL LIABILITIES	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
Security Deposits*	**175 25.66**	156 56.77	127 02.39
Total	**175 25.66**	156 56.77	127 02.39

* Represents Deposit from customer/distributors

Notes to the Financial Statements for the year ended 31st March, 2017

13 PROVISIONS - CURRENT

₹ in Lakh

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for Employee Benefits**	**80.27**	84.66	71.36
Total	**80.27**	84.66	71.36

**The provision for employee benefit includes annual leave and vested long service leave entitlement accrued and compensation claims made by employees.

14 OTHER CURRENT LIABILITIES

₹ in Lakh

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Others[1]	**85 44.75**	53 20.87	6 73.70
Total	**85 44.75**	53 20.87	6 73.70

[1] Includes statutory liabilities , advance from customers

15 REVENUE FROM OPERATION

₹ in Lakh

	2016-17	2015-16
Sale of Products	**6353 71.49**	2196 11.27
Income from Services	**3 28.12**	3 11.53
	6356 99.61	2199 22.80
Less: Service Tax Recovered	**43.31**	47.47
Net Revenue from Operations	**6356 56.30**	2198 75.33

15.1 REVENUE FROM OPERATIONS

Broad heads of goods sold and services rendered

Sale of products		
(i) Transportation Fuel	**5899 31.09**	1762 48.79
(ii) Packed LPG	**364 79.34**	357 34.54
(iii) Others	**89 61.06**	76 27.94
	6353 71.49	2196 11.27
Income from Services		
(i) Franchise fee	**3 28.12**	3 11.53
	3 28.12	3 11.53

16 OTHER INCOME

₹ in Lakh

	2016-17	2015-16
Interest Income		
From Bank Deposits	**89.91**	2 05.89
From Others	**21.97**	6.61
Other non operating income	**2 91.03**	4 98.43
Total	**4 02.91**	7 10.93

Notes to the Financial Statements for the year ended 31st March, 2017

16.1 OTHER COMPREHENSIVE INCOME ₹ in Lakh

	2016-17	2015-16
Mutual Funds	**6 78.32**	-
Total	**6 78.32**	**-**

₹ in Lakh

17 CHANGES IN INVENTORIES OF STOCK IN TRADE	**2016-17**	2015-16
Inventories (at close)		
Stock-in-Trade	**157 43.91**	82 40.39
Inventories (at commencement)		
Stock-in-Trade	**82 40.39**	34 47.02
Total	**(75 03.52)**	(47 93.37)

18 EMPLOYEE BENEFITS AND EXPENSES ₹ in Lakh

	2016-17	2015-16
Salaries, Wages and Bonus	**20 34.92**	12 75.25
Contribution to Provident and other Funds	**47.82**	40.14
Employee Welfare and other amenities	**58.52**	40.67
Total	**21 41.26**	13 56.06

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

Defined Contribution Plan

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

₹ in Lakh

	2016-17	2015-16
Employer's Contribution to Provident Fund	**29.92**	22.28
Employer's Contribution to Superannuation Fund	**0.61**	0.55
Employer's Contribution to Pension Scheme	**17.28**	16.90

The Company's Provident Fund is exempted under Section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Conditions for grant of exemption stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the trust vis-a-vis statutory rate.

Defined Benefit Plan

The employees' gratuity fund scheme managed by Trust is a defined benefit plan.

I. Reconciliation of Opening and Closing Balances of Defined Benefit Obligation

₹ in Lakh

	Gratuity (Funded)	
	2016-17	2015-16
Defined Benefit Obligation at beginning of the year	**138.08**	123.79
Add: Liability Transferred In/ On Amalgamation	**-**	64.62
Current Service Cost	**11.36**	10.76
Interest Cost	**11.05**	9.90
Actuarial (Gain)/ Loss - Due to change in experience and change in Financial assumptions	**28.84**	(10.66)
Benefits Paid	**(5.41)**	(60.33)
Defined Benefit Obligation at year end	**183.92**	138.08

Notes to the Financial Statements for the year ended 31st March, 2017

II. Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets

₹ in Lakh

	Gratuity (Funded)	
	2016-17	2015-16
Fair Value of Plan Assets at beginning of the year	**3 26.13**	2 93.26
Add: Liability Transferred In/ On Amalgamation	**-**	64.62
Interest Income	**26.09**	23.46
Return on Plan Assets, excluding Interest Income	**(0.10)**	5.12
Employer Contribution	**-**	-
Benefits Paid	**(5.41)**	(60.33)
Fair Value of Plan Assets at year end	**3 46.71**	3 26.13
Actual Return on Plan Asset	**25.99**	28.58

III. Reconciliation of Fair Value of Assets and Obligations

₹ in Lakh

	Gratuity (Funded)	
	2016-17	2015-16
(Present Value of Obligation at the end of the Period)	**(1 83.92)**	(1 38.08)
Fair Value of Plan Assets at the end of the Period	3 46.71	3 26.13
Funded Status (Surplus/ (Deficit))	1 62.80	1 88.05
Net (Liability) / Asset recognised in the Balance Sheet	1 62.80	1 88.05

IV. Expenses recognised during the year

₹ in Lakh

	Gratuity (Funded)	
	2016-17	2015-16
In Income Statement		
Current Service Cost	**11.36**	10.76
Net Interest Cost	**(15.04)**	(13.56)
Actuarial (Gain)/ Loss recognised in the year	**(3.68)**	(2.80)
Net Cost		
In Other Comprehensive Income		
Actuarial (Gain)/ Loss	**28.84**	(10.66)
Return on Plan Assets	**0.10**	(5.12)
Net (Income)/ Expense for the period recognised in OCI	**28.94**	(15.78)

V. Balance Sheet Reconciliation

₹ in Lakh

	Gratuity (Funded)	
	2016-17	2015-16
Opening Net Liability	**(1 88.06)**	(1 69.48)
Expenses recognised in Statement of Profit or Loss	**(3.68)**	(2.80)
Expenses recognised in OCI	**28.94**	(15.78)
Net Liability / (Asset) recognised in the Balance Sheet	**(1 62.80)**	(1 88.06)

Notes to the Financial Statements for the year ended 31st March, 2017

VI. Investment Details

	% Invested	2016-17 ₹ in Lakh	2015-16 ₹ in Lakh
Insurance Policies	100%	**3 46.71**	3 26.13
Others	-	-	-
	100	**3 46.71**	**3 26.13**

VII. Actuarial Assumptions

	Gratuity (Funded)	
	2016-17	2015-16
Mortality Table (IALM)	**2006-08 (Ultimate)**	2006-08 (Ultimate)
Discount Rate (per annum)	**8%**	8%
Expected Rate of Return on Assets (per annum)	**8%**	8%
Rate of Escalation in Salary (per annum)	**6%**	6%
Rate of Employee Turnover	**2%**	2%
Mortality Rate during Employment	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)
Mortality Rate during Employment	**N.A.**	N.A.

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.

VIII. The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2016-17.

IX. 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 Lakh

Particulars	**31st March, 2017**	
	Decrease	Increase
Projected Benefit Obligation on Current Assumption	**183.92**	138.08
Delta Effect of +0.5% Change in Rate of Discounting	**(8.38)**	(6.96)
Delta Effect of -0.5% Change in Rate of Discounting	**8.97**	7.47
Delta Effect of +0.5% Change in Rate of Salary Increase	**9.05**	7.58
Delta Effect of -0.5% Change in Rate of Salary Increase	**(8.53)**	(7.12)
Delta Effect of +0.5% Change in Rate of Employee Turnover	**1.00**	1.23
Delta Effect of -0.5% Change in Rate of Employee Turnover	**(1.05)**	(1.30)

These plans typically expose the Group to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Notes to the Financial Statements for the year ended 31st March, 2017

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 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.

₹ in Lakh

19	**OTHER EXPENSES**		**2016-17**		2015-16
	SALES & DISTRIBUTION EXPENSES				
	Sales Tax, Service Tax and Turnover Tax	**12.34**		14.98	
	Brokerage, Discount and Commission	**1 04.39**		20.38	
	Samples, Sales Promotion and Advertisement Expenses	**2 08.81**		2 21.56	
	Clearing and Forwarding/ Freight Expenses	**4 67.81**	**7 93.35**	2 09.01	4 65.93
	OPERATING EXPENSES INCLUDING ADMINSTRATIVE EXPENSES				
	Operator Charges	**105 73.00**		63 79.40	
	Electricity Expenses	**24 95.29**		11 26.29	
	Security Expenses	**2 42.94**		4 21.28	
	Travelling and Conveyance Expenses	**3 71.61**		3 08.79	
	Repairs and Maintenance	**4 72.72**		2 90.84	
	Bank and Other Charges	**7 21.03**		2 38.33	
	Usage Charges	**6.82**		2.61	
	Rates & Taxes	**1 49.03**		1 34.82	
	Professional and Legal fees	**63.92**		32.36	
	Telephone expenses	**11.76**		13.98	
	Insurance	**85.68**		27.69	
	Loss on Sale / Discard of Assets	**-**		2.29	
	Printing and stationery	**5.37**		10.66	
	Other General and Administrative Charges	**2 98.55**	**154 97.72**	1 80.81	91 70.15
19.1	**PAYMENTS TO AUDITORS**				
	Statutory Audit fees	**11.50**		10.50	
	Tax Audit fees	**3.75**		3.50	
	Cost Audit fees	**0.63**	**15.88**	0.60	14.60
	Total		**163 06.95**		96 50.68

Notes to the Financial Statements for the year ended 31st March, 2017

		2016-17	2015-16
20	**BASIC EARNING PER SHARE**	**2016-17**	2015-16
(i)	Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (₹ Lakh)	**28 04.16**	(5 79.38)
(ii)	Weighted average number of equity shares for calculating Basic EPS	**50,000**	50,000
(iii)	Weighted Average Potential Equity Shares	**10,635**	10,635
(iv)	Total Weighted average number of equity shares for calculating Diluted EPS	**60,635**	60,635
(v)	Basic Earning per Share (₹)	**5 608.31**	(1 158.75)
(vi)	Diluted Earning per Share (₹)	**4 624.65**	(955.51)
(vii)	Face value per Equity Share (₹)	**10**	10

21 RELATED PARTY DISCLOSURE

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

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

Name of the Related Party	Relationship
Reliance Industries Limited	Ultimate Holding Company
Reliance Retail Ventures Limited Reliance Retail Limited	Holding Companies
Reliance Brands Limited Reliance Jio Infocomm Limited GAPCO Tanzania Limited GAPCO Uganda Limited GAPCO Kenya Limited Reliance Sibur Elastomers Private Limited	Fellow Subsidiary Companies
Shri Harisha M. Kumar	Key Managerial Personnel

Notes to the Financial Statements for the year ended 31st March, 2017

(ii) Transaction during the year with related parties:

₹ in Lakh

Nature of Transactions (Excluding reimbursements)	**Ultimate Holding Company**	**Holding Company**	**Fellow Subsidiary Company**	**Key Managerial Personnel**	**Total**
1. Purchase					
Purchase during the year	**6398 64.00**	**-**	**-**	**-**	**6398 64.00**
	2232 26.18	*-*	*-*	*-*	*2232 26.18*
2. Expenditure					
a) Sales Promotion Expense	**-**	**27.52**	**-**	**-**	**27.52**
	-	*17.51*	*-*	*-*	*17.51*
b) Payment to Key Managerial Personnel	**-**	**-**	**-**	**23.31**	**23.31**
	-	*-*	*-*	*21.55*	*21.55*
3. Income					
a) Sale during the year	**2 27.63**	**10.77**	**5 14.26**	**-**	**7 52.86**
	3 06.85	*14.57*	*46.91*	-	*3 68.33*
b) License fees	**-**	**-**	**45.47**	**-**	**45.47**
	-	-	*52.39*	-	*52.39*
4. Balances as on 31-03-2017					
Sundry Debtors	**-**	**3.25**	**17.52**	**-**	**20.78**
	9.41	*3.90*	*61.60*	-	*74.91*
Sundry Creditors	**244 68.86**	**2.73**	**-**	**-**	**244 71.59**
	72 20.53	-	-	-	*72 20.53*

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

(iii) Disclosure in respect of Material Related Party Transactions during the Year: ₹ in Lakh

	Particulars	**Relationship**	**2016-17**	**2015-16**
1.	**Purchases during the year**			
	Reliance Industries Limited	Ultimate Holding Company	**6398 64.00**	2232 26.18
2.	**Sales Promotion Expenses**			
	Reliance Retail Limited	Holding Company	**27.52**	17.51
3.	**Payment to KMP**			
	Shri Harisha M. Kumar	Key Managerial Personnel	**23.31**	21.55
4.	**Sales during the year**			
	Reliance Industries Limited	Ultimate Holding Company	**2 27.63**	3 06.85
	Reliance Retail Limited	Holding Company	**10.77**	14.57
	Reliance Jio Infocomm Limited	Fellow Subsidiary Company	**34.56**	46.91
	Reliance Sibur Elastomers Private Limited	Fellow Subsidiary Company	**4 79.70**	-
5.	**License Fees**			
	GAPCO Tanzania Limited	Fellow Subsidiary Company	**36.41**	41.91
	GAPCO Uganda Limited	Fellow Subsidiary Company	**8.64**	10.23
	GAPCO Kenya Limited	Fellow Subsidiary Company	**0.41**	0.24
6.	**Investments**			
	Reliance Brands Limited	Fellow Subsidiary Company	**-**	75 00.00

Notes to the Financial Statements for the year ended 31st March, 2017

(1) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

(2) This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances year-end are unsecured and settlement occurs in cash.

(iv) Balances as at 31st March, 2017 ₹ in Lakh

	Particulars	Relationship	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
1	Sundry Debtors				
	Reliance Industries Limited	Ultimate Holding Company	**-**	9.41	24.21
	Reliance Retail Limited	Holding Company	**3.25**	3.90	1.57
	Reliance Jio Infocomm Limited	Fellow Subsidiary Company	**16.86**	7.90	-
	GAPCO Tanzania Limited	Fellow Subsidiary Company	**0.50**	43.23	24.08
	GAPCO Uganda Limited	Fellow Subsidiary Company	**0.17**	10.23	2.93
	GAPCO Kenya Limited	Fellow Subsidiary Company	**-**	0.23	0.11
2	Sundry Creditors				
	Reliance Industries Limited	Ultimate Holding Company	**244 68.86**	72 20.53	29 43.04
	Reliance Retail Limited	Holding Company	**2.73**	-	4.21
3	Investment				
	Reliance Brands Limited	Fellow Subsidiary Company	**-**	-	75 00.00

22 CONTINGENT LIABILITY ₹ in Lakh

Particulars	**As at 31st March, 2017**	As at 31st March, 2016
(i) Bank Guarantees to Government Authorities	**17.67**	15.32
(ii) In respect of Sales Tax Liability under various Sales Tax Authorities*	**48 27.81**	48 33.10
(iii) In respect of Income Tax Liability under Various Income Tax Authorities	**26.51**	64.29

* The above litigations are not expected to have any material adverse impact on the financial position of the Company.

23 The Income-Tax assessments of the company have been completed up to Assessment Year 2014-15. The Disputed demand outstanding up to the said Assessment Year is ₹ 26.51 lakh.

24 CAPITAL MANAGEMENT

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

Gearing Ratio

There is no Debt in the Company as on 31.03.2017 and 31.03.2016. Thus, Gearing Ratio is NIL as on 31.03.2017 and 31.03.2016.

25 FINANCIAL INSTRUMENTS

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

a) The fair value of investment in Mutual Funds is measured at quoted price or NAV.

b) All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

Notes to the Financial Statements for the year ended 31st March, 2017

Fair value measurement hierarchy: ₹ in Lakh

Particulars	As at 31st March, 2017			As at 31st March, 2016			As at 1st April, 2015		
	Carrying amount	Level of input used in		Carrying amount	Level of input used in		Carrying amount	Level of input used in	
		Level 1	Level 2		Level 1	Level 2		Level 1	Level 2
Financial Assets									
At Amortised Cost									
Trade Receivables	100 33.98	-	-	30 70.84	-	-	1 17.26	-	-
Cash and Bank Balances	30 21.78	-	-	113 46.31	-	-	27 95.86	-	-
Other Financial Assets	66 18.54	-	-	38 07.80	-	-	15 34.31	-	-
At FVTOCI									
Investments	190 78.33	190 78.31	0.02	0.02	-	0.02	75 00.02	75 00.00	0.02
Financial Liabilities									
At Amortised Cost									
Trade Payables	298 88.68	-	-	102 77.31	-	-	55 07.43	-	-
Other Finacial Liabilities	175 25.66	-	-	156 56.77	-	-	127 02.39	-	-

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

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 orindirectly.

Foreign Currency Risk

Foreign currency exposure profile is given below :

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	USD	USD	USD
Foreign CurrencyDebtors	**0.01**	0.81	0.44

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.

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. The Company monitors rolling forecasts of the Company's cash flow position and ensure that the Company is able to meet its financial obligation at all times including contingencies.

26 The Company is mainly engaged in 'retail selling and distribution of Petroleum and related products' catering to Indian customers. 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 Whole Time Director (the 'Chief Operational Decision Maker as defined in IND AS 108 – Operating Segments) monitors the operating results of the entity's business for the purpose of making decisions about resource allocation and performance assessment.

Notes to the Financial Statements for the year ended 31st March, 2017

27 DETAILS OF LOANS GIVEN, INVESTMENT MADE AND GUARANTEE GIVEN COVERED U/S 186(4) OF THE COMPANIES ACT, 2013:

Investment made by the Company as at 31st March, 2017 (Refer note 4)

28 DETAILS OF SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED DURING THE PERIOD 08/11/2016 TO 30/12/2016 IS AS UNDER:

In ₹

	SBNs	Other denomination notes	Total
Closing Cash in Hand as on 08.11.2016	19,31,78,000	3,76,21,072	**23,07,99,072**
(+) Permitted receipts	-	2,98,97,85,768	**2,98,97,85,768**
(-) Permitted payments	-	-	**-**
(-) Amount Deposited in Banks	19,31,78,000	2,91,76,67,573	**3,11,08,45,573**
Closing Cash in Hand as on 30.12.2016	**-**	**10,97,39,266**	**10,97,39,266**

29 APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved for issue by the Board of Directors on 17th April, 2017.

30 FIRST TIME ADOPTION OF IND AS - RECONCILIATIONS STATEMENTS

30.1 Effect of Ind AS adoption on the Balance sheet as at 31st March 2016 and 1st April, 2015 — ₹ in Lakh

Particulars	Notes	As at 31st March, 2016			As at 1st April, 2015		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP Ind AS	Effect of transition to	As per Ind AS Balance Sheet
ASSETS							
Non-Current Assets							
Property, Plant and Equipment		48 27.40	-	48 27.40	45 39.72	-	45 39.72
Other Non-current assets	2	17 18.88	(3.37)	17 15.51	17 53.93	-	17 53.93
Total Non Current Assets		**65 46.28**	**(3.37)**	**65 42.91**	**62 93.65**	**-**	**62 93.65**
Current assets							
Inventories		87 02.93	-	87 02.93	37 84.37	-	37 84.37
Financial Assets							
Investments		0.02	-	0.02	75 00.02	-	75 00.02
Trade receivables		30 70.84	-	30 70.84	1 17.26	-	1 17.26
Cash and cash equivalents		113 46.31	-	113 46.31	27 95.86	-	27 95.86
Other Current Assets		38 07.80	-	38 07.80	15 34.31	-	15 34.31
Total Current assets		**269 27.90**	**-**	**269 27.90**	**157 31.82**	**-**	**157 31.82**
Total Assets		**334 74.18**	**(3.37)**	**334 70.81**	**220 25.47**	**-**	**220 25.47**
EQUITY AND LIABILITIES							
Equity							
Equity Share capital		4 04.58	(3 99.58)	5.00	4 04.58	(3 99.58)	5.00
Other Equity		12 97.74	3 96.21	16 93.95	18 73.75	3 99.58	22 73.33
Total Equity		**17 02.32**	**(3.37)**	**16 98.95**	**22 78.33**	**-**	**22 78.33**

Notes to the Financial Statements for the year ended 31st March, 2017

Liabilities						
Non-current liabilities						
Deferred tax liability (Net)	4 32.25	-	4 32.25	7 92.26	-	7 92.26
Total non-current liabilities	**4 32.25**	**-**	**4 32.25**	**7 92.26**	**-**	**7 92.26**
Current liabilities						
Financial Liabilities						
Trade payables	102 77.31	-	102 77.31	55 07.43	-	55 07.43
Other Financial Liabilities	156 56.77	-	156 56.77	127 02.39	-	127 02.39
Provisions	84.66	-	84.66	71.36	-	71.36
Other Current liabilities	53 20.87	-	53 20.87	6 73.70	-	6 73.70
Total current liabilities	**313 39.61**	**-**	**313 39.61**	**189 54.88**	**-**	**189 54.88**
Total Liabilities	**317 71.86**	**-**	**317 71.86**	**197 47.14**	**-**	**197 47.14**
Total equity and liabilities	**334 74.18**	**(3.37)**	**334 70.81**	**220 25.47**	**-**	**220 25.47**

30.2 Reconciliation of Profit and Equity between IndAS and Previous GAAP ₹ in Lakh

Sr. No	Nature of Adjustments	Notes	Profit reconciliation Year ended 31-03-2016	Equity Reconciliation As at 31-03-2016	Equity Reconciliation As at 01-04-2015
	Net Profit (Loss) / Equity as per Accounting Standard		**(5 76.01)**	17 02.32	22 78.33
1	Remeasurement of Defined Benefit Plan	2	(15.78)		
2	Income Tax relating to above item	2	-	(3.37)	-
	Total		**(15.78)**	**(3.37)**	**-**
	Net profit before OCI / Equity as per Ind AS		**(5 91.79)**	**16 98.95**	**22.78.33**

Notes to the Financial Statements for the year ended 31st March, 2017

30.3 Effect of Ind AS adoption on the Statement of Profit and loss for the year ended 31st March,2016. ₹ in Lakh

	Notes	Year ended 31st March 2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS
Income				
Income from Services	1	2199 89.59	(1 14.26)	2198 75.33
Other Income		7 10.93	-	7 10.93
Total Revenue		**2207 00.52**	**(1 14.26)**	**2205 86.26**
Expenditure				
Cost of Material Consumed		2098 74.92	-	2098 74.92
Employee Benefits expense	2	13 40.28	(15.78)	13 56.06
Finance Cost		0.35	-	0.35
Depreciation and Amortisation		5 24.96	-	5 24.96
Other expenses		97 64.94	1 14.26	96 50.68
Total Expenses		**2215 05.45**	**98.48**	**2214 06.97**
Profit Before Tax		**(8 04.93)**	**15.78**	**(8 20.71)**
Tax Expense				
Income Tax		1 31.09	-	1 31.09
Deferred tax		(3 60.01)	-	(3 60.01)
Profit for the Year		**(5 76.01)**	**15.78**	**(5 91.79)**

Notes :

1 Under I GAAP, Loyalty expenses were grouped under Other expenses, whereas as per Ind AS, such expenses are net off from Revenue income from operations.

2 Others:

Actuarial Gain/ (Loss) on Defined Benefit Plan is classified under Other Comprehensive Income and corresponding Income Tax effect is given under Provision for Income tax for OCI.

As per our Report of even date

For **Pathak H.D. & Associates**
Chartered Accountants

Ashutosh Jethlia
Partner

Place : Mumbai
Dated : 17th April, 2017

For and on behalf of the Board

P. Rahgavendran
Chairman

C. S. Borar
Director

S. K. Bhardwaj
Director

Harisha Kumar
Whole-time-director

G. K. Fulwadaya
Director

C. S. Gokhale
Director