RELIANCE RETAIL LIMITED

FINANCIAL STATEMENTS

2016-17

Independent Auditor's Report

To The Members of Reliance Retail Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Reliance Retail Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and 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 Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone

Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:

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

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

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

d) In our opinion, the aforesaid standalone Ind AS 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements as referred to in Note 30 (b) (iii) 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 Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. Refer Note 36 to the financial statements.

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

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

Amit Chaturvedi
Partner
M. No. 103141

Place: Mumbai
Date: 20th April 2017

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. - 117366W/
W-100018

Ketan Vora
Partner
M. No. 100459

Place: Mumbai
Date: 20th April 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENT OF RELIANCE RETAIL LIMITED

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section 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 Retail Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, 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.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. -101720W
W-100018

Amit Chaturvedi
Partner
M. No. 103141

Place: Mumbai
Date: 20th April 2017

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. - 117366W/

Ketan Vora
Partner
M. No. 100459

Place: Mumbai
Date: 20th April 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENT OF RELIANCE RETAIL LIMITED

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section 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.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds provided to us, we report that, the title deeds, comprising all the immovable properties of lands which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements for the said lands and building thereof are in the name of the Company.

ii. In our opinion, the inventories were physically verified during the year by the Management at reasonable intervals and as explained to us, no material discrepancies were noticed on physical verification.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. 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, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable.

b) Details of dues of Sales Tax, Value Added Tax and Entry Tax which have not been deposited as on 31st March, 2017 on account of disputes are given below:

Name of the Statute	Nature of Dues	Amount (Rs. in crore)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956 and Sales Tax Act of various states	Sales Tax/Value Added Tax and Entry Tax	0.11	2009-10	Sales Tax Appellate Tribunal
		0.26	2008-09	High Court
		0.52	2007-08 to 2012-13	Supreme Court
Central Excise Act, 1944	Excise Duty	3.98	2010-11 to 2012-13	Customs, Excise and Service Tax Appellate Tribunal
TOTAL		**4.87**		

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans to banks and dues to debenture holders. The Company has not borrowed any funds from financial institutions or government.

ix. In our opinion and according to the information and explanations given to us, term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.

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 has been noticed or reported during the year except there have been instances of defalcation/frauds by employees on the company which individually and in aggregate are not material.

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

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of 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, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate Company or persons connected with them and hence, clause (xv) of paragraph 3 of the Order is not applicable to the Company.

xvi. In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Amit Chaturvedi
Partner
M. No. 103141

Place: Mumbai
Date: 20th April 2017

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No. - 117366W/
W-100018

Ketan Vora
Partner
M. No. 100459

Place: Mumbai
Date: 20th April 2017

Balance Sheet as at 31st March, 2017

₹ crore

	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**	**2,245.88**		2,026.87		2,053.83	
Capital Work-in-Progress	**1**	**434.18**		483.90		423.16	
Intangible Assets	**1**	**10.05**		2.62		0.36	
Intangible Assets under Development	**1**	**290.65**		48.87		-	
		2,980.76		2,562.26		2,477.35	
Financial Assets							
Investments	**2**	**486.28**		484.81		470.10	
Loans	**3**	**53.39**		31.57		22.77	
Deferred Tax Assets (net)	**4**	**851.85**		1,001.42		1,119.17	
Other Non-Current Assets	**5**	**146.30**		236.60		171.20	
Total Non-Current Assets			**4,518.58**		4,316.66		4,260.59
Current Assets							
Inventories	**6**	**5,096.68**		5,249.57		3,881.73	
Financial Assets							
Investments	**7**	**340.00**		-		-	
Trade Receivables	**8**	**730.09**		217.93		210.81	
Cash and Cash Equivalents	**9**	**252.31**		47.60		150.52	
Other Financial Assets	**10**	**232.33**		264.11		284.18	
Other Current Assets	**11**	**502.43**		387.37		333.59	
Total Current Assets			**7,153.84**		6,166.58		4,860.83
Total Assets			**11,672.42**		10,483.24		9,121.42
EQUITY AND LIABILITIES							
Equity							
Equity Share Capital	**12**	**4,989.54**		4,989.54		4,989.54	
Other Equity	**13**	**1,830.03**		1,134.51		829.66	
Total Equity			**6,819.57**		6,124.05		5,819.20
Liabilities							
Non-Current Liabilities							
Financial Liabilities							
Borrowings	**14**	**0.22**		1.03		3.37	
Provisions	**15**	**19.85**		14.62		11.95	
Total Non-Current Liabilities			**20.07**		15.65		15.32
Current Liabilities							
Financial Liabilities							
Borrowings	**16**	**27.48**		1,086.89		1,670.16	
Trade Payables	**17**	**3,926.68**		2,711.25		1,171.37	
Other Financial Liabilities	**18**	**287.67**		119.32		95.60	
Other Current Liabilities	**19**	**585.08**		424.20		348.60	
Provisions	**20**	**5.87**		1.88		1.09	
Total Current Liabilities			**4,832.78**		4,343.54		3,286.90
Total Liabilities			**4,852.85**		4,359.19		3,302.22
Total Equity and Liabilities			**11,672.42**		10,483.24		9,121.42
Significant accounting policies							
Notes on financial statements	**1 to 38**						

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Amit Chaturvedi
Partner

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

Ketan Vora
Partner

Mumbai
Dated : 20th April, 2017

For and on behalf of the Board

V. Subramaniam
Whole-Time Director

K Sudarshan
Director

Pankaj Pawar
Director

Ranjit V Pandit
Director

Sanjay Jog
Director

Ashwin Khasgiwala
Chief Financial Officer

K Sridhar
Company Secretary

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

₹ crore

	Note		2016-17		2015-16
INCOME					
Revenue from Operations	**21**		**26,437.68**		18,329.95
Other Income	**22**		**35.45**		19.14
Total Income			**26,473.13**		18,349.09
EXPENSES					
Cost of Materials Consumed			**333.17**		360.10
Purchases of Stock-in-Trade			**20,916.93**		15,814.82
Changes in Inventories of Finished Goods and Stock-in-Trade	**23**		**152.43**		(1,356.06)
Employee Benefits Expense	**24**		**642.14**		525.25
Finance Costs	**25**		**77.27**		117.71
Depreciation and Amortisation Expense			**368.57**		324.29
Other Expenses	**26**		**3,229.80**		2,073.84
Total Expenses			**25,720.31**		17,859.95
Profit before Tax			**752.82**		489.14
Tax expenses:					
Current Tax	**27**	**1 60.65**		65.80	
Deferred Tax	**27**	**1 49.57**		117.75	
			310.22		183.55
Profit for the year			**442.60**		305.59
Other Comprehensive Income					
Items that will not be reclassified to profit or loss	**24.1**	**(2.64)**		(0.86)	
Income tax relating to items that will not be reclassified to profit or loss		**0.56**		0.12	
			(2.08)		(0.74)
Total Comprehensive Income for the year			**440.52**		304.85
Earnings per equity share of face value of ₹ 10 each					
Basic	**29**		**0.83**		0.61
Diluted	**29**		**0.83**		0.60
Significant accounting policies					
Notes on financial statements	**1 to 38**				

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Amit Chaturvedi
Partner

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

Ketan Vora
Partner

Mumbai
Dated : 20th April, 2017

For and on behalf of the Board

V. Subramaniam
Whole-Time Director

K Sudarshan
Director

Pankaj Pawar
Director

Ranjit V Pandit
Director

Sanjay Jog
Director

Ashwin Khasgiwala
Chief Financial Officer

K Sridhar
Company Secretary

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

A. Equity Share Capital

₹ crore

Balance at the beginning of the reporting period i.e. 1st April, 2015	Changes in equity share capital during the year 2015-16	Balance at the end of the reporting period i.e. 31st March, 2016	Changes in equity share capital during the year 2016-17	**Balance at the end of the reporting period i.e. 31st March, 2017**
4,989.54	-	4,989.54	-	**4,989.54**

B. Other Equity

₹ crore

	Debenture application money pending allotment	Convertible Instruments	Reserves & Surplus				Other Compre-hensive Income	Total
			Capital Reserve	Debenture Redemption Reserve	Retained Earnings	Total Reserves		
As on 1st April, 2015	75.00	-	55.11	-	699.55	754.66	-	829.66
Transferred From / (to) Debenture Redemption Reserve	-	-	-	1.81	(1.81)	-	-	-
Issue of Convertible Instruments (i)	(75.00)	75.00	-	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	-	305.59	305.59	(0.74)	304.85
Balance at the end of reporting period 31st March, 2016	**-**	**75.00**	**55.11**	**1.81**	**1,003.33**	**1,060.25**	**(0.74)**	**1,134.51**
Balance at the beginning of reporting period 01st April, 2016	-	75.00	55.11	1.81	1,003.33	1,060.25	(0.74)	1,134.51
Transferred From / (to) Debenture Redemption Reserve	-	-	-	(1.81)	1.81	-	-	-
Issue of Convertible Instruments (ii)	-	330.00	-	-	-	-	-	330.00
Redemption of Convertible Instruments		75.00	-	-	-	-	-	75.00
Total Comprehensive income for the year	-	-	-	-	442.60	442.60	(2.08)	440.52
Balance at the end of reporting period 31st March, 2017	**-**	**330.00**	**55.11**	**-**	**1,447.74**	**1,502.85**	**(2.82)**	**1,830.03**

(i) The Company have an option for conversion of Zero Coupon Optionally Fully Convertible Debenture (OFCDs) in to equity shares, at any time after allotment of the OFCDs by giving one month notice to the OFCD holder. The conversion into equity shares shall be based on higher of face value or book value of the Company as at March 31, 2015. If not converted, the Company will redeem the outstanding OFCDs on the expiry of 10 years from the date of allotment i.e. 14th April 2015.

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

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Amit Chaturvedi
Partner

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

Ketan Vora
Partner

Mumbai
Dated : 20th April, 2017

For and on behalf of the Board

V. Subramaniam
Whole-Time Director

K Sudarshan
Director

Pankaj Pawar
Director

Ranjit V Pandit
Director

Sanjay Jog
Director

Ashwin Khasgiwala
Chief Financial Officer

K Sridhar
Company Secretary

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

					₹ crore
			2016-17		2015-16
A:	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before tax as per Statement of Profit and Loss		**752.82**		489.14
	Adjusted for:				
	(Profit)/ loss on sale/ discarding of Property, Plant and Equipment (net)	**41.12**		25.13	
	Provision for doubtful debts/ bad debts written off	**(2.99)**		0.26	
	Depreciation and amortisation expense	**368.57**		324.29	
	Effect of exchange rate change	**21.18**		2.70	
	(Profit)/ loss on sale of Financials aseets (net)	**(9.08)**		(12.11)	
	Interest income	**(26.37)**		(7.03)	
	Finance costs	**77.27**		117.71	
			469.70		450.95
	Operating profit before working capital changes		**1,222.52**		940.09
	Adjusted for:				
	Trade and other receivables	**(593.01)**		(43.17)	
	Inventories	**152.89**		(1,367.83)	
	Trade and other payables	**1,493.42**		1,653.92	
			1,053.30		242.92
	Cash generated from operations		**2,275.82**		1,183.01
	Taxes paid (net)		**(64.85)**		(128.57)
	Net cash flow from operating activities		**2,210.97**		1,054.44
B:	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase for Property, Plant and Equipment		**(796.07)**		(451.03)
	Proceeds from disposal of PPE		**2.07**		1.21
	Purchase of Financial instruments		**(6,245.51)**		(5,125.71)
	Sale of Financial instruments		**5,913.12**		5,123.11
	Loans given to subsidiaries		**(21.82)**		(8.80)
	Interest income		**25.39**		7.72
	Net cash used in investing activities		**(1,122.82)**		(453.50)
C:	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Repayment of long term borrowings		**(1.46)**		(2.17)
	Short term borrowings (net)		**(804.41)**		(583.27)
	Interest paid		**(77.57)**		(118.42)
	Net cash used in financing activities		**(883.44)**		(703.86)
	Net Increase/(decrease) in cash and cash equivalents		**204.71**		(102.92)
	Opening balance of cash and cash equivalents		**47.60**		150.52
	Closing balance of cash and cash equivalents (Refer Note “9”)		**252.31**		47.60

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Amit Chaturvedi
Partner

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

Ketan Vora
Partner

Mumbai
Dated : 20th April, 2017

For and on behalf of the Board

V. Subramaniam
Whole-Time Director

K Sudarshan
Director

Pankaj Pawar
Director

Ranjit V Pandit
Director

Sanjay Jog
Director

Ashwin Khasgiwala
Chief Financial Officer

K Sridhar
Company Secretary

Notes on financial statements for the year ended 31st March, 2017

A. CORPORATE INFORMATION

Reliance Retail Limited ("the Company") is a public limited company incorporated in India having its registered office and principal place of business at 3rd floor, Court House, Lokmanya Tilak Marg, Dhobi Talao, Mumbai – 400 002. The Company's immediate holding Company is Reliance Retail Ventures Limited and Ultimate holding company is Reliance Industries Limited.

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 (including derivative instruments),

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 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 its functional currency.

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Property, plant and equipment

Property, plant and equipment is stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

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

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

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(b) Leases

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

Leased Asset

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 profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

Notes on financial statements for the year ended 31st March, 2017

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

(c) Intangible assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

The development cost of Intangibles are charged to statement of profit and loss unless the intangible's technological feasibility has been established and it is certain that there would be future probable economic benefits in which case such expenditure is capitalised.

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

(d) Research and Development Expenses

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

(e) Borrowings Cost

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

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

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

(f) Inventories

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

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

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

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

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

An impairment loss is recognised in the Profit and Loss Statement 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.

Notes on financial statements for the year ended 31st March, 2017

(h) Provisions

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

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

(i) Employee Benefits

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans

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

Re-measurment of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

(j) Tax Expense

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

- **Current tax**

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

(k) Share based payment

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

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

Notes on financial statements for the year ended 31st March, 2017

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

(l) Foreign currencies transactions and translation

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

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss except to the extent that exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings are capitalized as cost of assets under construction.

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

(m) Revenue recognition

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

Revenue from 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 adjusted for discounts (net), service tax, and value added tax.

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.

(n) 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 added 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 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 reason 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 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 reason specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes on financial statements for the year ended 31st March, 2017

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.

C. Investment in subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in subsidiaries, associates and joint venture at cost.

D. Other equity Investments

All other equity investments are measured at fair value, with value changes recognised in statement of profit and loss, except for those equity investments for which the company has elected to present the value changes in 'Other Comprehensive Income'.

E. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables 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 and borrowings and payables, net of directly attributable cost. Cost 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) Derivative financial instruments and Hedge Accounting:

The company uses various derivative financial instruments such as currency forwards and commodity contracts to mitigate the risk of changes in exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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

The Company designates certain hedging instruments as either cashflow hedge or fair value hedge.

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

a) ***Cashflow hedge***

The company designates derivative contracts as cash flow hedges to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the income statement.

Notes on financial statements for the year ended 31st March, 2017

If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the statement of profit and loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the statement of profit and loss.

b) ***Fair Value Hedge***

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

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

iv) Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS109. A financial liability (or apart 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 JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:

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

a) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

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

b) Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include assessing the credit worthiness 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 assets may be impaired. If any indication exists, or when annual impairment testing for assets 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 assets, 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.

Notes on financial statements for the year ended 31st March, 2017

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 Reserves as at 1st April 2015 and all the periods presented have been restated accordingly.

a) Exemptions from retrospective application:

(i) Business combination exemption

The Company has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combinations" to business combinations consummated prior to April 1, 2015 (the "Transition Date"), pursuant to which goodwill arising from a business combination has been stated at the carrying amount prior to the date of transition under Indian GAAP. The Company has also applied the exemption for past business combinations to acquisitions of investments in subsidiaries consummated prior to the Transition Date.

(ii) Share-based payment transactions

Ind AS 101 encourages, but does not require, first time adopters to apply Ind AS 102 Share based Payment to equity instruments that were vested before the date of transition to Ind AS. The Company has elected not to apply Ind AS 102 to awards that vested prior to April 1, 2015.

(iii) Fair value as deemed cost exemption:

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

(iv) Investments in subsidiaries and joint ventures

The Company has elected to measure investment in subsidiaries, joint venture at cost.

Notes on financial statements for the year ended 31st March, 2017

1. Property, Plant and Equipment

₹ Crore

Description	Gross block							Depreciation / Amortisation							Net Block		
	As at 1st April, 2015	Additions	Deductions/ Adjustments	As at 1st April, 2016	Additions	Deductions/ Adjustments	**As at 31st March 2017**	As at 1st April, 2015	For 2015-16	Deductions/ Adjustments	As at 1st April, 2016	For 2016-17	Deductions/ Adjustments	**As at 31 March, 2017**	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
(i) Tangible assets																	
Own assets:																	
Leasehold land	37.72	-	-	37.72	-	-	**37.72**	3.68	0.68	-	4.36	0.70	-	**5.06**	**32.66**	33.36	34.04
Freehold land	14.21	-	-	14.21	-	-	**14.21**	-	-	-	-	-	-	**-**	**14.21**	14.21	14.21
Buildings	17.22	-	-	17.22	-	-	**17.22**	0.33	0.29	-	0.62	0.28	-	**0.90**	**16.32**	16.60	16.89
Plant and machinery	461.98	76.13	78.10	460.01	210.72	19.06	**651.67**	287.61	55.42	72.35	270.68	74.80	16.34	**329.14**	**322.53**	189.33	174.37
Electrical installations	627.10	70.79	39.29	658.60	113.51	8.91	**763.20**	192.49	79.96	30.27	242.18	90.06	4.16	**328.08**	**435.12**	416.42	434.61
Equipment	1,283.56	113.24	59.40	1,337.40	138.42	19.65	**1,456.17**	409.71	86.49	34.59	461.61	95.24	8.90	**547.95**	**908.22**	875.79	873.85
Furniture and fixtures	342.32	31.85	16.09	358.08	74.41	4.75	**427.74**	115.67	37.03	13.13	139.57	41.81	1.95	**179.43**	**248.31**	218.51	226.65
Vehicles	12.52	-	0.66	11.86	-	2.64	**9.22**	4.33	1.63	0.45	5.51	1.31	1.50	**5.32**	**3.90**	6.35	8.19
Leasehold improvements	545.34	55.84	30.10	571.08	92.11	55.84	**607.35**	276.10	61.65	22.02	315.73	62.01	34.81	**342.93**	**264.42**	255.35	269.24
Sub-Total	**3,341.97**	**347.85**	**223.64**	**3,466.18**	**629.17**	**110.85**	**3,984.50**	**1,289.92**	**323.15**	**172.81**	**1,440.26**	**366.21**	**67.66**	**1,738.81**	**2,245.69**	**2,025.92**	**2,052.05**
Leased assets:																	
Leasehold plant and machinery	4.15	-	-	4.15	-	-	**4.15**	2.37	0.83	-	3.20	0.76	-	**3.96**	**0.19**	0.95	1.78
Sub-Total	**4.15**	**-**	**-**	**4.15**	**-**	**-**	**4.15**	**2.37**	**0.83**	**-**	**3.20**	**0.76**	**-**	**3.96**	**0.19**	**0.95**	**1.78**
Total (i)	**3,346.12**	**347.85**	**223.64**	**3,470.33**	**629.17**	**110.85**	**3,988.65**	**1,292.29**	**323.98**	**172.81**	**1,443.46**	**366.97**	**67.66**	**1,742.77**	**2,245.88**	**2,026.87**	**2,053.83**
(ii) Intangible assets																	
Software	1.25	2.57	-	3.82	9.02	-	**12.84**	0.89	0.31	-	1.20	1.59	-	**2.79**	**10.05**	2.62	0.36
Total (ii)	**1.25**	**2.57**	**-**	**3.82**	**9.02**	**-**	**12.84**	**0.89**	**0.31**	**-**	**1.20**	**1.59**	**-**	**2.79**	**10.05**	**2.62**	**0.36**
Total (i+ii)	**3,347.37**	**350.42**	**223.64**	**3,474.15**	**638.19**	**110.85**	**4,001.49**	**1,293.18**	**324.29**	**172.81**	**1,444.66**	**368.56**	**67.66**	**1,745.56**	**2,255.93**	**2,029.49**	**2,054.19**
Previous year	2,950.13	429.90	142.10	3,347.37	350.42	223.64	3,474.15	1,041.06	303.10	50.97	1,293.18	324.29	172.81	1,444.66	2,029.49	2,054.19	
Capital work-in-progress															**434.18**	483.90	423.16
Intangible Assets under Development															**290.65**	48.87	-

1.1 Capital work-in-progress Includes ₹ 373.60 crore (Previous year ₹ 344.34 crore & ₹ 329.02 crore) on account of capital goods inventory.

Notes on financial statements for the year ended 31st March, 2017

1.2 Project development expenditure (Included under Intangible Assets under Development)

₹ crore

	2016-17	2015-16	2014-15
Opening balance	**48.87**	-	-
Add: Incurred during the year	**241.78**	48.87	-
Less: Capitalised during the year	**-**	-	-
Closing balance	**290.65**	48.87	-

1.3 Finance lease

(i) In respect of fixed assets acquired on finance lease, the minimum lease rentals outstanding as on 31st March, 2017 are as follows :

₹ crore

	Total minimum lease payments outstanding As at 31st March			**Future interest on outstanding lease payments As at 31st March**			**Present value of minimum lease payments As at 31st March**		
	2017	2016	2015	**2017**	2016	2015	**2017**	2016	2015
Within one year	**-**	0.91	1.23	**-**	0.04	0.15	**-**	0.87	1.08
Later than one year and not later than five years	**-**	-	0.91	**-**	-	0.04	**-**	-	0.87
Total	**-**	0.91	2.14	**-**	0.04	0.19	**-**	0.87	1.95

(ii) **General Description of Lease terms:**

Assets are taken on lease for period of 5 years.

₹ crore

2. Investments - Non Current	**As at 31st March, 2017** Units	₹ crore	As at 31st March, 2016 Units	₹ crore	As at 1st April, 2015 Units	₹ crore
Trade investments						
In equity shares classification at Fair Value Through P&L- unquoted, fully paid up						
The Colaba Central Co-operative Consumer's Wholesale and Retail Stores Limited (Sahakari Bhandar) of ₹ 200 each - ₹ 5 000 (Previous year ₹ 5 000 & ₹ 5 000)	**25**	**0.00**	25	0.00	25	0.00
Retailers Association's Skill Council of India of ₹ 10 each	**5,000**	**0.01**	5,000	0.01	5,000	0.01
Sub-total (a)		**0.01**		0.01		0.01
Other investments						
Investments Classification at Fair Value Through P&L- In Equity Shares - Unquoted, Fully Paid Up						
Reliance Research and Development Services Private Limited of ₹ 10 each - NIL (Previous year ₹ 15 000 & ₹ 15 000)	**-**	-	1,500	0.00	1,500	0.00
Sub-total (b)		-		0.00		0.00

Notes on financial statements for the year ended 31st March, 2017

₹ crore

2. Investments - Non Current (contd.)	As at 31st March, 2017 Units	As at 31st March, 2017 ₹ crore	As at 31st March, 2016 Units	As at 31st March, 2016 ₹ crore	As at 1st April, 2015 Units	As at 1st April, 2015 ₹ crore
Investments Classification at Cost						
In equity shares of subsidiary companies - unquoted, fully paid up						
Reliance Petro Marketing Limited of ₹ 10 each	**50,000**	**0.05**	50,000	0.05	50,000	0.05
Reliance Trading Limited of ₹ 10 each		**-**	10,50,000	1.05	10,50,000	1.05
Reliance-GrandOptical Private Limited of ₹ 10 each	**50,000**	**0.05**	50,000	0.05	50,000	0.05
Reliance Clothing India Private Limited of ₹ 10 each	**50,000**	**0.05**	50,000	0.05	50,000	0.05
Sub-total (c)		**0.15**		1.20		1.20
Investments Classification at Cost- In Equity Shares of Joint Venture Companies - Unquoted, Fully Paid Up						
Reliance-Vision Express Private Limited of ₹ 10 each	**8,70,00,000**	**87.00**	8,45,00,000	84.50	8,45,00,000	84.50
Marks and Spencer Reliance India Private Limited (Class A Shares of ₹ 10 each)	**81,42,722**	**55.87**	81,42,722	55.87	80,52,317	55.14
Marks and Spencer Reliance India Private Limited (Class C Shares of ₹ 5 each)	**9,51,16,546**	**225.66**	9,51,16,546	225.66	9,16,81,156	211.69
Reliance-GrandVision India Supply Private Limited of ₹ 10 each	**1,35,00,000**	**13.50**	1,35,00,000	13.50	1,35,00,000	13.50
Sub-total (d)		**382.03**		379.53		364.83
In preference shares of subsidiary companies at cost- unquoted, fully paid up (Revised Classification Equity)						
Reliance Petro Marketing Limited of ₹ 10 each	**39,95,800**	**103.89**	39,95,800	103.89	39 95 800	103.89
Sub-total (e)		**103.89**		103.89		103.89
Government and other securities - unquoted Classification at Fair Value Through P&L						
National Savings Certificates - 6 yrs Issue VII		**0.20**		0.18		0.17
(Includes deposited with government authorities)						
Sub-total (f)		**0.20**		0.18		0.17
Total (a+b+c+d+e+f)		**486.28**		484.81		470.10

Aggregate value of	**Book Value**	**Market Value**	Book Value	Market Value	Book Value	Market Value
Unquoted investments	**486.28**	**-**	484.81	-	470.10	-
Quoted investments	**-**	**-**	-	-	-	-

Notes on financial statements for the year ended 31st March, 2017

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
2.1	**Category-wise Investment - Non current**			
	Financial assets measured at Cost	**486.07**	484.62	469.92
	Financial assets measured at Fair value through Profit & Loss (FVTPL)	**0.21**	0.19	0.18
	Total Investment - Non current	**486.28**	484.81	470.10

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
3.	**Loans (Unsecured)**			
	Loans and advances to related parties	**53.39**	31.57	22.77
		53.39	31.57	22.77

3.1 Loans and advances in the nature of loans given to subsidiary

Sr No	Name of the company	As at 31st March, 2017	As at 31st March, 2016	Maximum balances during the year
1	Reliance Clothing India Private Limited	**53.39**	31.57	**53.39**
	Total	**53.39**	31.57	**53.39**

(i) Loans and advances shown above, to subsidiaries fall under the category of 'loans and advances' in nature of loans and are re-payable within 3 to 5 years.

(ii) The above loan is given for the business purpose.

₹ crore

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
4.	**Deferred Tax Assets (Net)**			
	At the start of the year	1,001.42	1,119.17	
	Charge to profit or loss (Note 27)	(149.57)	(117.75)	
	At the end of year	**851.85**	1,001.42	1,119.17

Deferred tax liabilities and assets at the end of the reporting period and deferred tax charge in profit or loss.

	As at 31st March, 2016	Charge to profit or loss	As at 31st March, 2017
Deferred tax asset in relation to:			
Property, plant and equipment	91.97	16.97	**75.00**
Carried Forward Loss	900.08	132.34	**767.74**
Disallowance under the Income Tax Act, 1961	9.37	0.26	**9.11**
	1,001.42	149.57	**851.85**

Notes on financial statements for the year ended 31st March, 2017

₹ crore

5.	**Other Non-Current Assets**	**As at**	As at	As at
	(unsecured and considered good)	**31st March, 2017**	31st March, 2016	1st April, 2015
	Capital Advances	**16.02**	12.62	12.19
	Deposits [(i)]	**6.99**	5.68	3.80
	Advance Income Tax (Net of Provision)	**122.64**	217.88	154.99
	Other Loans and Advances[(ii)]	**0.65**	0.42	0.22
	Total	**146.30**	236.60	171.20

(i) Deposits given to statutory authorities

(ii) Represents loan to employees.

₹ crore

Advance Income Tax (Net of Provision)	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
At start of year	217.88	154.99	
Charge for the year	(160.65)	(65.80)	
Others *	0.56	0.12	
Tax paid during the year (Net of Refunds)	64.85	128.57	
At end of year	**122.64**	217.88	154.99

* Mainly pertains to Provision for Tax on Other Comprehensive Income

₹ crore

6.	**Inventories**	**As at**	As at	As at
	(valued at lower of cost or net realisable value)	**31st March, 2017**	31st March, 2016	1st April, 2015
	Raw materials	**3.83**	5.36	7.21
	Finished goods	**41.83**	84.09	179.52
	Stock-in-trade	**4,995.45**	5,105.62	3,654.13
	Stores and spares	**55.57**	54.50	40.87
	Total	**5,096.68**	5,249.57	3,881.73

₹ crore

7.	**Investments - Current**	**As at 31st March, 2017**		As at 31st March, 2016		As at 1st April, 2015	
		Units	**₹ crore**	Units	₹ crore	Units	₹ crore
	Investments Classification at Fair Value Through Profit & Loss (FVTPL)						
	Investment in mutual funds - Unquoted						
	ICICI Prudential Liquid - Regular Plan - Growth of ₹ 100 each	**41,23,543**	**99.00**		-		-
	ICICI Prudential Flexible - Regular Plan - Growth of ₹ 100 each	**77,40,758**	**241.00**		-		-
	Total		**340.00**		-		-

₹ crore

8.	**Trade Receivables**	**As at**	As at	As at
	(unsecured and considered good)	**31st March, 2017**	31st March, 2016	1st April, 2015
	Trade Receivables	**730.09**	217.93	210.81
	Total	**730.09**	217.93	210.81

Notes on financial statements for the year ended 31st March, 2017

₹ crore

9.	Cash & Cash Equivalent	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	Cash and cash equivalents			
	Cash on hand	**41.88**	24.51	30.63
	Balance with bank [(i) and (ii)]	**210.43**	23.09	119.89
	Cash and cash equivalents as per balance sheet / standalone statement of cash flows	**252.31**	47.60	150.52

[(i)] Includes deposits ₹ 0.21 crore (Previous year ₹ 0.22 crore & ₹ 0.30 crore) with maturity period of more than 12 months.

[(ii)] Includes deposits ₹ 31.83 crore (Previous year ₹ 4.09 crore & ₹ 70.53 crore) held by tax authority as security and by bank as margin money for bank guarantees, forward contracts and working capital loan.

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

9.2 Please refer note no. 36 for details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016.

₹ crore

10.	Other Financial Assets	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	Interest accrued on investments	**0.09**	0.08	0.08
	Deposits	**198.85**	237.01	280.44
	Others [(i)]	**33.39**	27.02	3.66
	Total	**232.33**	264.11	284.18

[(i)] Includes Treasury & Interest Receivables.

₹ crore

11.	Other Current Assets *(unsecured and considered good)*	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	Balance with service tax/ sales tax authorities, etc.	**169.98**	133.57	151.83
	Others [(i)]	**332.45**	253.80	181.76
	Total	**502.43**	387.37	333.59

[(i)] Includes advances to employees and vendors.

₹ crore

12.	Share capital		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	Authorised:				
	1350,00,00,000 (1500,00,00,000) (1500,00,00,000)	Equity shares of ₹ 10 each	**13,500.00**	15,000.00	15,000.00
	150,00,00,000 (-) (-)	Preference shares of ₹ 10 each	**1,500.00**	-	-
	Total		**15,000.00**	15,000.00	15,000.00
	Issued, Subscribed and Paid up				
	498,95,41,650 (498,95,41,650) (498,95,41,650)	Equity shares of ₹ 10 each	**4,989.54**	4,989.54	4,989.54
	Total		**4,989.54**	4,989.54	4,989.54

Notes on financial statements for the year ended 31st March, 2017

(i) Out of above 498,70,26,060 (Previous year 498,70,23,360 & 498,70,23,360) equity shares of ₹ 10 each fully paid-up are held by Reliance Retail Ventures Limited, the holding company along with its nominees.

(ii) Represents 498,95,41,650 (Previous year 498,95,41,650 & 498,95,41,650) equity shares of ₹ 10 each fully paid-up were alloted pursuant to the Scheme of Arrangement and Amalgamation without payment being received in cash.

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

Name of the Shareholders	**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
Reliance Retail Ventures Limited (Holding Company)	**4,98,70,26,060**	**99.95**	498,70,23,360	99.95	498,70,23,360	99.95

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

Particulars	**As at 31st March, 2017** No. of shares	As at 31st March, 2016 No. of shares
Equity shares outstanding at the beginning of the year	**498,95,41,650**	498,95,41,650
Add: Equity shares issued during the year	**-**	-
Equity shares outstanding at the end of the year	**498,95,41,650**	498,95,41,650

(v) The Company is authorised to issue up to forty nine crore Restricted Stock Units (RSUs) to eligible employees under Reliance Retail Restricted Stock Unit Plan 2007. The RSUs vest on different dates over a period of sixteen years from the date of grant of RSUs as per the scheme and upon vesting, the employees are entitled to three equity shares of ' 10 each for every five RSUs. As on March 31, 2017, RSUs in force total to seventeen lakh sixty nine thousand eight hundred ninety four (Previous year seventeen lakh sixty nine thousand eight hundred ninety four).

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

₹ crore

13. Other Equity		**As at 31st March, 2017**		As at 31st March, 2016	As at 1st April, 2015
Reserves					
Capital Reserve					
As per last Balance Sheet	**55.11**		55.11		
		55.11		55.11	55.11
Debenture Redemption Reserve					
As per last Balance Sheet	**1.81**		-		
Transferred from / (to) Profit and Loss Account	**(1.81)**		1.81		
		-		1.81	-
Convertible Instruments					
As per last Balance Sheet	**75.00**		-		
Add: Issue during the year	**330.00**		75.00		
Less: Redemption during the year	**(75.00)**		-		
		330.00		75.00	-
Debenture application money pending allotment					
As per last Balance Sheet	**-**		75.00		
Less: Issue of Convertible Instruments during the year	**-**		(75.00)		
		-		-	75.00

Notes on financial statements for the year ended 31st March, 2017

₹ crore

13. Other Equity (Continued)

		As at 31st March, 2017		As at 31st March, 2016	As at 1st April, 2015
Retained Earnings					
As per last Balance Sheet	**1,003.33**		699.55		
Add: Profit for the year	**442.60**		305.59		
Transferred from / (to) Debenture redemption Reserve	**1.81**		(1.81)		
		1,447.74		1,003.33	699.55
Other Comprehensive Income					
As per last Balance Sheet	**(0.74)**		-		
Add: Movement in OCI (Net) during the year	**(2.08)**		(0.74)		
		(2.82)		(0.74)	
Total		**1,830.03**		1,134.51	829.66

₹ crore

14. Borrowings - Non Current

		As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015
Secured - At amortised cost						
Term loans from banks [(i)]	**0.22**		1.03		2.50	
Long term maturities of finance lease obligations [(ii)]	**-**		-		0.87	
		0.22		1.03		3.37
Total		**0.22**		1.03		3.37

[(i)] Term loans are secured by hypothecation of vehicles and are repayable over a period of 2 years by way of equated monthly instalments.

[(ii)] Secured against leased assets.

₹ crore

15. Provisions - Non Current

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for employee benefits [(i)]	**19.85**	14.62	11.95
Total	**19.85**	14.62	11.95

[(i)] The provision for employee benefit includes annual leave and vested long service leave entitlement accrued and compensation claims made by employees. For further disclosure please refer note no. 24

Notes on financial statements for the year ended 31st March, 2017

₹ crore

16. Borrowings - Current		**As at 31st March, 2017**		As at 31st March, 2016		As at 1st April, 2015
Secured - at amortised cost						
Working Capital Loan						
From Banks [(i)]		**20.48**		727.87		1,670.16
Unsecured - at amortised cost						
Other Loans and Advances						
Loans and advances from related parties [(ii)]	**7.00**		359.02		-	
		7.00		359.02		-
Total		**27.48**		1,086.89		1,670.16

(i) Working Capital Loans from Banks referred above to the extent of:

- ₹ 20.48 crore (Previous year ₹ 727.87 crore & ₹ 1,646.78 crore) are secured by way of first charge on all the current assets of the company.

- ₹ NIL (Previous year ₹ NIL & ₹ 23.38 crore) are secured by Standby Letter of Credit.

(ii) Represents from Holding company.

₹ crore

17. Trade Payables		**As at 31st March, 2017**		As at 31st March, 2016		As at 1st April, 2015
Micro and Small Enterprises	**4.41**		7.32		4.51	
Others	**3,922.27**		2,703.93		1,166.86	
		3,926.68		2,711.25		1,171.37
Total		**3,926.68**		2,711.25		1,171.37

(i) Dues to micro and small enterprises

The details of amounts outstanding to Micro and Small Enterprises based on available information with the Company is as under:

₹ crore

Sr No	**Particulars**	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
1	Principal amount due and remaining unpaid	-	-	-
2	Interest due on above and the unpaid interest	-	-	-
3	Interest paid	-	-	-
4	Payment made beyond the appointed day during the year	-	-	-
5	Interest due and payable for the period of delay	-	-	-
6	Interest accrued and remaining unpaid	-	-	-
7	Amount of further interest remaining due and payable in succeeding year	-	-	-

Notes on financial statements for the year ended 31st March, 2017

	As at 31st March, 2017	As at 31st March, 2016	₹ crore As at 1st April, 2015
18. Other Financial Liabilities			
Current maturities of long term debt	**0.67**	1.32	2.02
Current maturities of finance lease obligations	**-**	0.87	1.08
Interest accrued but not due on borrowings	**0.04**	0.34	1.05
Creditors for capital expenditure	**94.48**	56.90	71.97
Others (i)	**192.48**	59.89	19.48
	287.67	119.32	95.60

(i) Includes Deposits Received & Treasury Payable

	As at 31st March, 2017	As at 31st March, 2016	₹ crore As at 1st April, 2015
19. Other Current Liabilities			
Revenue received in advance	**180.31**	184.26	122.69
Others (i)	**404.77**	239.94	225.99
	585.08	424.20	348.68

(i) Includes statutory liabilities & Advances received.

20. Provisions - Current	As at 31st March, 2017	As at 31st March, 2016	₹ crore As at 1st April, 2015
Provision for employee benefits (i)	**1.36**	1.26	1.06
Provision for wealth tax	**-**	-	0.03
Other Provisions (ii)	**4.51**	0.62	-
Total	**5.87**	1.88	1.09

(i) The provision for employee benefit includes annual leave and vested long service leave entitlement accrued and compensation claims made by employees. For further disclosure please refer note no. 24

(ii) Represents Provision for excise duty

21. Revenue from Operations	**2016-17**	₹ crore 2015-16
Sale of products	**23,577.39**	17,329.79
Sale of services	**3,284.55**	1,144.50
	26,861.94	18,474.29
Less:Service tax recovered	**424.26**	144.34
Total	**26,437.68**	18,329.95

Notes on financial statements for the year ended 31st March, 2017

22. Other Income

				₹ crore
		2016-17		2015-16
Interest income				
From Bank Deposits	**2.25**		4.35	
From Group Companies	**3.86**		2.56	
From others	**20.26**		0.12	
		26.37		7.03
Gain on Financial Assets				
Realised Gain	**9.08**		12.11	
Unrealised Gain	**-**		-	
		9.08		12.11
Total		**35.45**		19.14

23. Changes in inventories of Finished goods and stock-in-trade

				₹ crore
		2016-17		2015-16
Inventories (at close)				
Finished goods	**41.83**		84.09	
Stock-in-trade	**4,995.45**		5,105.62	
		5,037.28		5,189.71
Inventories (at commencement)				
Finished goods	**84.09**		179.52	
Stock-in-trade	**5,105.62**		3,654.13	
		5,189.71		3,833.65
Total		**152.43**		(1,356.06)

Notes on financial statements for the year ended 31st March, 2017

		₹ crore
24. Employee Benefits Expense	**2016-17**	2015-16
Salaries and wages	**518.07**	462.31
Contribution to provident and other funds	**31.64**	26.58
Staff welfare expenses	**92.43**	36.36
Total	**642.14**	525.25

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

Defined contribution plan ₹ crore

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

	2016-17	2015-16
Employer's contribution to Provident Fund	**13.44**	11.77
Employer's contribution to Superannuation Fund	**0.11**	0.12
Employer's contribution to Pension Scheme	**9.39**	8.18

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

Defined benefit plan

The Company operates post retirement benefit plans as follows:

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

		₹ crore
	Gratuity (funded)	
	2016-17	2015-16
Defined benefit obligation at beginning of the year	**26.11**	20.40
On transfer	**-**	0.01
Current service cost	**6.76**	4.70
Interest cost	**2.09**	1.63
Actuarial (gain)/ loss	**2.93**	1.18
Benefits paid	**(2.98)**	(1.81)
Defined benefit obligation at year end	**34.91**	26.11

II. Reconciliation of opening and closing balances of fair value of plan assets ₹ crore

	Gratuity (funded)	
	2016-17	2015-16
Fair value of plan assets at beginning of the year	**26.11**	20.40
On Transfer	**-**	0.01
Expected return on plan assets	**2.38**	1.95
Actuarial gain/ (loss)	**-**	-
Employer contribution	**9.40**	5.56
Benefits paid	**(2.98)**	(1.81)
Fair value of plan assets at year end	**34.91**	26.11
Actual return on Plan Asset	**2.38**	1.95

Notes on financial statements for the year ended 31st March, 2017

III. Reconciliation of fair value of assets and obligations ₹ crore

	Gratuity (funded)	
	2016-17	2015-16
Fair value of plan assets	**34.91**	26.11
Present value of obligation	**34.91**	26.11
Amount recognised in Balance Sheet	**-**	-

IV. Expenses recognised during the year ₹ crore

	Gratuity (funded)	
In Income Statement	**2016-17**	2015-16
Current service cost	**6.76**	4.70
Interest cost on benefit obligation	**2.09**	1.63
Expected return on plan assets	**(2.09)**	(1.63)
Net Cost	**6.76**	4.70
In Other Comprehensive Income		
Actuarial loss recognised in the year	**2.93**	1.18
Return on Plan Assets	**(0.29)**	(0.32)
Net Expense For the period Recognised in OCI	**2.64**	0.86

V. Investment Details

	As at 31st March, 2017		As at 31st March, 2016	
	₹ crore	**% Invested**	₹ crore	% Invested
Insurance Policies	**34.52**	**98.88**	25.10	96.17
Others	**0.39**	**1.12**	1.00	3.83
Total	**34.91**	**1 00.00**	26.10	1 00.00

VI. Actuarial assumptions

	Gratuity (funded)	
	2016-17	2015-16
Mortality Table	**2006-08**	2006-08
	(Ultimate)	(Ultimate)
Discount rate (per annum)	**7.46%**	8%
Expected rate of return on assets (per annum)	**7.46%**	8%
Rate of escalation in salary (per annum)	**6%**	6%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

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.

Notes on financial statements for the year ended 31st March, 2017

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

VIII.Sesitivity Analysis

Siginificant Acturial 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 resonably possible changes of the assumptions occuring at end of the reporting period, while holding all other assumptions constant. The result of Sesitivity analysis is given below:

₹ crore

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Decrease	**Increase**	**Decrease**	**Increase**
Change in rate of discounting (delta effect of +/- 0.5%)	**1.83**	**2.00**	1.34	1.45
Change in rate of salary increase (delta effect of +/- 0.5%)	**1.86**	**2.02**	1.37	1.48
Change in rate of employee turnover (delta effect of +/- 0.5%)	**0.31**	**0.29**	0.31	0.29

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

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by referece to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yield at the end of reporting period on high qualtity corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan‘s debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan particpants wil 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 particpants. As such, an increase in the salary of the plan participants will increase the plan‘s liability.

₹ crore

25. Finance Costs	**2016-17**	2015-16
Interest cost	**77.23**	117.56
Other borrowing costs	**0.04**	0.15
Total	**77.27**	117.71

₹ crore

26. Other Expenses		**2016-17**		2015-16
Sales and distribution expenses				
Sales promotion and advertisement expenses	**491.84**		206.92	
Store running expenses	**505.56**		368.04	
Royalty	**1.08**		0.42	
Brokerage & Commission	**280.15**		5.76	
Warehousing and distribution expenses	**338.90**		242.83	
		1,617.53		823.97

Notes on financial statements for the year ended 31st March, 2017

₹ crore

26.	**Other Expenses (Continued)**			**2016-17**		2015-16
	Establishment expenses					
	Stores and packing materials		**99.34**		72.33	
	Machinery repairs		**0.38**		1.17	
	Building repairs and maintenance		**89.73**		67.75	
	Other repairs		**3.30**		4.09	
	Rent including lease rentals		**580.48**		639.93	
	Insurance		**29.86**		20.85	
	Rates and taxes		**11.13**		13.17	
	Travelling and conveyance expenses		**33.83**		48.89	
	Professional fees		**47.51**		24.57	
	Loss on sale/ discarding of assets (net)		**41.12**		25.13	
	Exchange differences (net)		**292.85**		26.41	
	Bad debts written off	**0.01**		0.48		
	Provision for doubtful debts	**(3.00)**		(0.22)		
			(2.99)		0.26	
	Electricity expenses		**155.02**		136.70	
	Excise Duty [(i)]		**6.78**		0.96	
	Hire charges		**35.65**		50.73	
	Charity and donation		**7.67**		3.25	
	General expenses		**177.73**		111.10	
				1,609.39		1,247.29
	Payments to auditor					
	Audit fees		**1.93**		1.65	
	Tax audit fees		**0.33**		0.43	
	Certification and consultation fees		**0.61**		0.49	
	Cost audit fees		**0.01**		0.01	
				2.88		2.58
	Total			**3,229.80**		2,073.84

(i) Excise duty shown under expenditure represents the aggregate of excise duty borne by the company and difference between excise duty on opening and closing stock of finished goods/Jewellery items.

26.1 Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof : ₹ 7.67 crore (previous year ₹ 3.25 crore). Gross amount required to be spent as per the aforesaid provisions is ₹ 7.67 Crore (previous year ₹ 3.25 crore). Details of Amount spent towards CSR given below:

₹ crore

Particulars	**2016-17**	2015-16
Rural Transformation	**4.44**	3.25
Education	**3.23**	-
Total	**7.67**	3.25

Notes on financial statements for the year ended 31st March, 2017

27 Taxation	Year Ended 31st March, 2017	₹ crore Year Ended 31st March, 2016
Income Tax recognised in Profit or Loss		
Current Tax	160.65	65.80
Deferred Tax	149.57	117.75
Total Income Tax Expense recognised in the current year.	**310.22**	**183.55**

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

Particulars	**Year Ended 31st March, 2017**	Year Ended 31st March, 2016
Profit before Tax	752.82	489.14
Applicable Tax Rate	34.608%	34.608%
Computed Tax Expense	**260.54**	**169.28**
Tax Effect of :		
Carry forward losses utilised	(240.62)	(157.29)
Expenses not Allowed	148.45	124.79
Additional Allowances	(168.37)	(136.78)
MAT Credit Generated	160.65	65.80
Current Tax Provision (A)	**160.65**	**65.80**
Incremental Deferred Tax Liability on account of PPE	16.97	7.98
Incremental Deferred Tax Liability on account of Financial Assets & Other items	132.60	109.77
Deferred Tax Provision (B)	**149.57**	**117.75**
Others temporary differences	-	(15.12)
Tax Expenses recognised in Statement of Profit and Loss (A+B)	**310.22**	**183.55**
Effective Tax Rate	41.21%	37.50%

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

29. Earnings per share (EPS)

		2016-17	2015-16
(i)	Net profit/ (loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ crore)	**442.60**	305.59
(ii)	Weighted average number of equity shares used as denominator for calculating Basic EPS	**5,31,95,41,650**	4,98,95,41,650
(iii)	Effect of dilutive issue of stock options & Debentures	**2,84,967**	7,15,13,877
(iv)	Weighted average number of equity shares used as denominator for calculating Diluted EPS (ii + iii)	**5,31,98,26,617**	5,06,10,55,527
(v)	Basic Earnings per share of face value of ₹ 10 each (Amount in ₹)	**0.83**	0.61
(vi)	Diluted Earnings per share of face value of ₹ 10 each (Amount in ₹)	**0.83**	0.60

Notes on financial statements for the year ended 31st March, 2017

30. Commitments and contingent liabilities

₹ crore

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
a	Capital commitments:			
	Estimated amount of contracts remaining to be executed on capital accounts (net of advances) and not provided for			
	(a) In respect of joint ventures	**-**	-	2.04
	(b) In respect of others	**101.50**	45.92	62.47
b	Contingent liabilities:			
(i)	Outstanding guarantees furnished to banks including in respect of letters of credit			
	(a) In respect of joint ventures	**-**	-	0.09
	(b) In respect of others	**4,001.22**	5,173.98	231.24
(ii)	Guarantees to banks against credit facilities extended to third parties			
	(a) In respect of joint ventures	**-**	-	-
	(b) In respect of others	**23.94**	16.48	14.61
(iii)	Claims against the Company/ disputed liabilities not acknowledged as debts *			
	(a) In respect of joint ventures	**-**	-	-
	(b) In respect of others	**44.66**	30.20	32.29

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

31. General description of lease terms:

(i) Lease rentals are charged on the basis of agreed terms.

(ii) Assets are taken on lease over a period of 1 to 33 years.

32. Capital Management

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

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

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash & cash equivalents,excluding discontinued operations.

Notes on financial statements for the year ended 31st March, 2017

Gearing Ratio

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

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Debt	**28.37**	1,090.11	1,676.63
Cash and bank balance (Including liquid investment)	**592.31**	47.60	150.52
Net Debt	**(563.94)**	1,042.51	1,526.11
Equity	**6,819.57**	6,124.05	5,819.20
Net Debt to Equity ratio	**-**	17.02%	26.23%

33 Financial Instruments

Valuation

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

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

b) The fair value of Forward Foreign Exchange contracts is determined using forward exchange rates at the balance sheet date.

c) Commodity derivative contracts are valued using readily available information in markets and quotations from exchange & brokers.

d) The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

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

Fair value measurement hierarchy: ₹ crore

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 Amotised Cost									
Trade Receivables	730.09	-	-	217.93	-	-	210.81	-	-
Cash and Bank Balances	252.31	-	-	47.60	-	-	150.52	-	-
Loans	53.39	-	-	31.57	-	-	22.77	-	-
Other Financial Assets	232.33	-	-	264.11	-	-	284.18	-	-
At FVTPL									
Investments	340.21	340.00	0.21	0.19	-	0.19	0.18	-	0.18
Commodity Derivatives	16.42	0.12	16.30	14.89	0.37	14.52	-	-	
Financial Liabilities									
At Amortised Cost									
Borrowings	28.37	-	-	1,090.11	-	-	1,676.63	-	-
Trade Payables	3,926.68	-	-	2,711.25	-	-	1,171.37	-	-
Other Financial Liabilities	186.73	-	-	94.06	-	-	92.48		
At FVTPL									
Financial Derivatives	100.27	-	100.27	23.07	-	23.07	0.02	-	0.02
Commodity Derivatives	-	-	-	-	-	-	18.16	3.41	14.75

Notes on financial statements for the year ended 31st March, 2017

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.

Foreign Currency Risk

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

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

	As at 31st March, 2017				As at 31st March, 2016				As at 1st April, 2015
	USD	**RMB**	**GBP**	**CNY**	USD	RMB	GBP	EUR	USD
Foreign Currency Creditors	2,009.31	0.02	0.08	-	1,300.44	70.93	0.04	-	26.61
Derivatives									
Forwards & Futures	(2,394.59)	-	-	(51.35)	(5,759.60)	(3.46)	-	(1.01)	(3.91)
Net Exposure	(385.28)	0.02	0.08	(51.35)	(4,459.16)	67.47	0.04	(1.01)	22.70

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

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

	As at 31st March, 2017				As at 31st March, 2016				As at 1st April, 2015
	USD	**RMB**	**GBP**	**CNY**	USD	RMB	GBP	EUR	USD
1% Depreciation in INR									
Transfer to P&L	3.85	(0.00)	(0.00)	0.51	44.59	(0.67)	(0.00)	0.01	(0.23)
Total	3.85	(0.00)	(0.00)	0.51	44.59	(0.67)	(0.00)	0.01	(0.23)

	As at 31st March, 2017				As at 31st March, 2016				As at 1st April, 2015
	USD	**RMB**	**GBP**	**CNY**	USD	RMB	GBP	EUR	USD
1% Appreciation in INR									
Transfer to P&L	(3.85)	0.00	0.00	(0.51)	(44.59)	0.67	0.00	(0.01)	0.23
Total	(3.85)	0.00	0.00	(0.51)	(44.59)	0.67	0.00	(0.01)	0.23

Notes on financial statements for the year ended 31st March, 2017

Interest Rate Risk

The exposure of the company's borrowing and derivatives to interest rate changes at the end of the reporting period are as follows

₹ crore

Particulars	**As at 31st March, 2017**	As at 31st March, 2016	As at 1st April, 2015
Long-Term Fixed Rate Loan	**0.89**	3.22	6.47
Short-Term Loan	**27.48**	1,086.89	1,670.16
Total	**28.37**	1,090.11	1,676.63

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 instrument 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 and to close out market positions. Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The company's liquidity is managed centrally with operating units forecasting their cash and currency requirements to the central treasury function. The operating units pool their cash surpluses to treasury, which will then either arrange to fund other units' requirements, or invest any net surplus in the market or arrange for necessary external borrowings, if need be, while managing the company's overall net currency positions.

Maturity Profile of Loans and Derivative Financial Liabilities as on 31 March, 2017

₹ crore

Liquidity Risks	**Less than equal to 3 Months**	**3-6 Months**	**6-12 Months**	**1-3 Years**	**3-5 Years**	**Above 5 Years**	**Grand Total**
Non Derivative Liabilities							
Long term Loans*	0.22	0.19	0.26	0.22	-	-	**0.89**
Short term Loans	5.46	15.02	7.00	-	-	-	**27.48**
Total Borrowings	**5.68**	**15.21**	**7.26**	**0.22**	**-**	**-**	**28.37**
Derivatives Liabilities							
Forwards & Futures	70.40	(9.68)	23.13	-	-	-	**83.85**
Total Derivative liability	**70.40**	**(9.68)**	**23.13**	**-**	**-**	**-**	**83.85**
Total Liability	**76.08**	**5.53**	**30.39**	**0.22**	**-**	**-**	**112.22**

Maturity Profile of Loans and Derivative Financial Liabilities as on 31 March, 2016

(₹ in crore)

Liquidity Risks	Less than equal to 3 Months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	Grand Total
Non Derivative Liabilities							
Long term Loans*	0.68	0.64	0.87	1.03	-	-	**3.22**
Short term Loans	727.87	-	359.02	-	-	-	1,086.89
Total Borrowings	**728.55**	**0.64**	**359.89**	**1.03**	**-**	**-**	**1,090.11**
Derivatives Liabilities							
Forwards & Futures	22.04	1.03	-	-	-	-	23.07
Total Derivative liability	**22.04**	**1.03**	**-**	**-**	**-**	**-**	**23.07**
Total Liability	**750.59**	**1.67**	**359.89**	**1.03**	**-**	**-**	**1,113.18**

* Includes Current maturities of long term debt

Hedge Accounting

Commodity risk: The Company is subject to commodity price risks due to fluctuation in prices of underlying Gold and Silver Inventories. The Company has put in place a commodity & currency risk management policy which provides our Risk management framework. The Company uses a combination of Futures and Forward contracts to hedge the physical exposure of commodity positions. The Company adopts methodology wherein an exposure might be hedged in totality depending on the market outlook. The gain /loss on hedging instruments are aligned and effectively offset with hedge item. Since the hedge instrument and hedge items normally offset and hence it is fully effective.In line with the Group's risk management policies, certain derivative and non-derivative instruments are designated as hedges of currency, interest rate and commodity price exposures in accordance with Ind AS 109.

Disclosure of effects of hedge accounting

Fair Value Hedge

Hedging Instrument ₹ crore

Type of Hedge and Risks	Nominal Value	Quantity (in Kgs)	Carrying amount of Hedging Instruments		Changes in FV	Hedge Maturity Date	Line Item in Balance Sheet
			Assets	Liabilities			
Commodity price risk							
Gold	682.85	2,565	16.33	-	16.33	April -17 to Sep-17	Other Financial Asset/ Other Financial liabilities
Sliver	21.30	1,200	0.09	-	0.09	April -17 to May-17	Other Financial Asset/ Other Financial liabilities

Hedged Items: ₹ crore

Type of Hedge and Risks	Carrying Value		Change in fair value	Line Item in Balance Sheet
	Assets	Liabilities		
Commodity price risk				
Inventory	720.74	-	16.42	Inventory

Notes on financial statements for the year ended 31st March, 2017

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

(i) List of related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the related party	Relationship
1	Reliance Industries Limited	Ultimate holding company
2	Reliance Retail Ventures Limited	Holding company
3	Reliance Petro Marketing Limited	Subsidiary companies
4	Reliance Trading Limited (up to 24-08-2016)	
5	Reliance-GrandOptical Private Limited	
6	Reliance Clothing India Private Limited	
7	Reliance Trading Limited (from 25-08-2016)	Fellow Subsidiaries
8	Indiawin Sports Private Limited	
9	Reliance Brands Limited	
10	Reliance Lifestyle Holdings Limited	
11	Reliance Corporate IT Park Limited	
12	Reliance Retail Insurance Broking Limited	
13	Reliance Petroinvestments Limited	
14	Reliance SMSL Limited *(formerly Strategic Manpower Solutions Limited)*	
15	Big Tree Entertainment Private Limited	
16	Digital18 Media Limited	
17	Reliance Jio Infocomm Limited	
18	Network18 Media & Investments Limited	
19	Reliance Gas Pipelines Limited	
20	Reliance Jio Digital Services Private Limited	
21	Reliance Progressive Traders Private Limited	
22	Reliance Prolific Traders Private Limited	
23	Reliance Prolific Commercial Private Limited	
24	Reliance Payment Solutions Limited	
25	Tv18 Home Shopping Network Limited	
26	Reliance Sibur Elastomers Private Limited	
27	Tv18 Broadcast Limited	
28	Reliance Commercial Trading Private Limited	
29	Reliance Jio Messaging Services Private Limited	
30	Reliance Eminent Trading & Commercial Private Limited	
31	Reliance Innovative Building Solutions Private Limited	
32	Reliance Industrial Investments and Holdings Limited	
33	Reliance Commercial Land & Infrastructure Limited	
34	Reliance Jio Media Limited	
35	Panorama Television Private Limited	
36	Reliance Ambit Trade Private Limited	
37	Reliance-GrandVision India Supply Private Limited	Joint venture companies
38	Reliance-Vision Express Private Limited	
39	Marks and Spencer Reliance India Private Limited	
40	Supreme Tradelinks Private Limited (wholly owned subsidiary of Marks and Spencer Reliance India Private Limited)	
41	Shri Pankaj Pawar (Upto 28-11-2016)	Key Managerial Personnel
42	Shri V Subramaniam (From 07-12-2016)	

Notes on financial statements for the year ended 31st March, 2017

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

Sr No	Nature of transactions	Ultimate holding company	Holding company	Subsidiaries	Fellow subsidiaries	Joint Ventures	Key Managerial Personnel	Total
1	Net unsecured loans taken/(repaid)	**-**	**(352.02)**	**-**	**-**	**-**	**-**	**(352.02)**
		-	*359.02*	-	-	-	-	*359.02*
2	Net deposits taken/(repaid)	**0.00**	**-**	**-**	**-**	**(0.02)**	**-**	**(0.02)**
		-	-	-	-	*0.09*	-	*0.09*
3	Purchase/ subscription of investments	**-**	**-**	**-**	**-**	**2.50**	**-**	**2.50**
		-	-	-	-	*14.70*	-	*14.70*
4	Application money pending allotment- Debentures	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		-	*(75.00)*	-	-	-	-	*(75.00)*
5	Issue/(Repayment) of Debentures	**-**	**255.00**	**-**	**-**	**-**	**-**	**255.00**
		-	*75.00*	-	-	-	-	*75.00*
6	Net loans and advances given	**-**	**-**	**21.82**	**-**	**-**	**-**	**21.82**
		-	-	*8.80*	-	-	-	*8.80*
7	Purchase of Property Plant & Equipment / Project materials	**5.14**	**-**	**9.46**	**45.87**	**-**	**-**	**60.47**
		4.31	-	*50.17*	*0.03*	-	-	*54.51*
8	Sale of Project materials	**0.01**	**-**	**0.01**	**0.47**	**-**	**-**	**0.49**
		0.62	-	-	*0.40*	-	-	*1.02*
9	Revenue from operations	**76.42**	**-**	**0.11**	**3,258.30**	**2.48**	**-**	**3,337.31**
		48.54	-	*0.02*	*798.03*	*1.76*	-	*848.35*
10	Other Income	**-**	**-**	**3.86**	**-**	**-**	**-**	**3.86**
		-	-	*2.56*	-	-	-	*2.56*
11	Purchases	**7.40**	**-**	**0.37**	**1,063.69**	**1.65**	**-**	**1,073.11**
		179.93	-	*0.41*	*0.10*	-	-	*180.44*
12	Purchase of Stores & Spares	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		-	-	*0.11*	-	-	-	*0.11*
13	Sale of investment	**-**	**-**	**-**	**1.05**	**-**	**-**	**1.05**
		-	-	-	-	-	-	-
14	Expenditure							
a.	Interest cost	**-**	**13.04**	**-**	**-**	**-**	**-**	**13.04**
		-	*0.38*	-	-	-	-	*0.38*
b.	Store running expenses	**-**	**-**	**-**	**258.44**	**-**	**-**	**258.44**
		-	*0.06*	-	*211.36*	-	-	*211.42*
c.	Building repairs and maintenance	**-**	**-**	**-**	**62.17**	**-**	**-**	**62.17**
		-	-	-	*56.31*	-	-	*56.31*
d.	Other Repairs	**-**	**-**	**-**	**0.01**	**-**	**-**	**0.01**
		-	-	-	-	-	-	-
e.	Electricity expenses	**-**	**-**	**-**	**153.12**	**-**	**-**	**153.12**
		-	-	-	*130.55*	-	-	*130.55*
f.	Rent	**-**	**-**	**-**	**203.91**	**-**	**-**	**203.91**
		-	-	-	*146.50*	-	-	*146.50*
g.	Hire Charges	**-**	**-**	**-**	**3.57**	**-**	**-**	**3.57**
		-	-	-	*2.53*	-	-	*2.53*
h.	Sales promotion and advertisement expenses	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		-	-	-	*0.07*	-	-	*0.07*
i.	Brokerage & Commission	**-**	**3.23**	**-**	**-**	**-**	**-**	**3.23**
		-	-	-	-	-	-	-
j.	Professional Fees	**-**	**16.07**	**-**	**-**	**-**	**-**	**16.07**
		-	-	-	-	-	-	-
k.	General expenses	**-**	**-**	**-**	**65.04**	**-**	**-**	**65.04**
		-	-	-	*54.44*	-	-	*54.44*
l.	Payment to key Managerial personnel	**-**	**-**	**-**	**-**	**-**	**3.20**	**3.20**
		-	-	-	-	-	*2.88*	*2.88*

Notes on financial statements for the year ended 31st March, 2017

(ii) Transactions during the year with related parties (excluding reimbursements): (Contd.) ₹ crore

Sr No	Nature of transactions	Ultimate holding company	Holding company	Subsid-iaries	Fellow subsid-iaries	Joint Ventures	Key Mana-gerial Personnel	Total
	Balance as at 31st March, 2017							
15	Share capital	**-**	**4,987.03**	**-**	**-**	**-**	**-**	**4,987.03**
		-	*4,987.02*	-	-	-	-	*4,987.02*
16	Debentures	**-**	**330.00**	**-**	**-**	**-**	**-**	**330.00**
		-	*75.00*	-	-	-	-	*75.00*
17	Current Borrowings	**-**	**7.00**	**-**	**-**	**-**	**-**	**7.00**
		-	*359.02*	-	-	-	-	*359.02*
18	Non-Current Investments	**-**	**-**	**104.04**	**-**	**382.03**	**-**	**486.07**
		-	-	*105.09*	-	*379.53*	-	*484.62*
19	Deposits taken	**-**	**-**	**-**	**-**	**0.20**	**-**	**0.20**
		-	-	-	-	*0.19*	-	*0.19*
20	Non-Current Loans	**-**	**-**	**53.39**	**-**	**-**	**-**	**53.39**
		-	-	*31.57*	-	-	-	*31.57*
21	Trade and other receivables	**17.39**	**-**	**0.14**	**29.13**	**0.07**	**-**	**46.73**
		7.85	-	*0.47*	*22.44*	*0.01*	-	*30.77*
22	Advance to Vendors	**-**	**3.47**	**-**	**-**	**-**	**-**	**3.47**
		-	-	-	-	-	-	-
23	Other Financial Asset	**-**	**-**	**0.39**	**-**	**-**	**-**	**0.39**
		-	-	*0.24*	-	-	-	*0.24*
24	Trade payables	**5.45**	**-**	**0.26**	**44.02**	**-**	**-**	**49.73**
		6.26	-	*3.51*	*2.63*	-	-	*12.40*
25	Other Current Liability	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		-	*0.34*	-	-	-	-	*0.34*
26	Financial guarantees	**-**	**-**	**5.80**	**18.14**	**-**	**-**	**23.94**
		-	-	*4.73*	*11.75*	-	-	*16.48*

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

Notes on financial statements for the year ended 31st March, 2017

Disclosure in respect of material related party transactions during the year:

	Particulars	Relationship	2016-17	2015-16
1	**Net unsecured loans taken/ (repaid)**			
	Reliance Retail Ventures Limited	Holding Company	**(352.02)**	359.02
2	**Net deposits taken/ (repaid)**			
	Reliance-Vision Express Private Limited	Joint Venture	**(0.02)**	0.09
	Reliance Industries Limited (₹ 25 000)	Ultimate Holding Company	**0.00**	-
3	**Purchase/ subscription of investments**			
	Reliance-Vision Express Private Limited	Joint Venture	**2.50**	-
	Marks and Spencer Reliance India Private Limited	Joint Venture	**-**	14.70
4	**Application money pending allotment- Debentures**			
	Reliance Retail Ventures Limited	Holding Company	**-**	(75.00)
5	**Issue/ (Repayment) of Debentures**			
	Reliance Retail Ventures Limited	Holding Company	**255.00**	75.00
6	**Net loans and advances given**			
	Reliance Clothing India Private Limited	Subsidiary	**21.82**	8.80
7	**Purchase of Property Plant & Equipment / Project materials**			
	Reliance Industries Limited	Ultimate Holding Company	**5.14**	4.31
	Reliance Trading Limited	Subsidiary	**13.88**	50.17
	Reliance Trading Limited	Fellow Subsidiary	**7.77**	-
	Reliance Corporate IT Park Limited (Previous year ₹ 12 170)	Fellow Subsidiary	**33.68**	0.00
	Reliance Prolific Commercial Private Limited	Fellow Subsidiary	**-**	0.03
	Reliance Innovative Building Solutions Private Limited (₹ 42 076)	Fellow Subsidiary	**0.00**	-
8	**Sale of Project materials**			
	Reliance Industries Limited	Ultimate Holding Company	**0.01**	0.62
	Reliance Clothing India Private Limited	Subsidiary	**0.01**	-
	Reliance Brands Limited (₹ 16 980)	Fellow Subsidiary	**0.00**	0.16
	Reliance Lifestyle Holdings Limited	Fellow Subsidiary	**0.03**	0.05
	Reliance Corporate IT Park Limited	Fellow Subsidiary	**0.36**	0.05
	Reliance Progressive Traders Private Limited	Fellow Subsidiary	**0.03**	0.07
	Reliance Petroinvestments Limited	Fellow Subsidiary	**0.05**	0.04
	Reliance Eminent Trading & Commercial Private Limited (Previous year ₹ 12 444)	Fellow Subsidiary	**-**	0.00
	Reliance Jio Infocomm Limited	Fellow Subsidiary	**-**	0.03
9	**Revenue from operations**			
	Reliance Industries Limited	Ultimate Holding Company	**76.42**	48.54
	Reliance Clothing India Private Limited	Subsidiary	**0.03**	0.01
	Reliance Petro Marketing Limited	Subsidiary	**0.08**	0.01
	Reliance Retail Insurance Broking Limited	Fellow Subsidiary	**7.54**	7.54
	Reliance Brands Limited	Fellow Subsidiary	**1.03**	0.45
	Reliance Lifestyle Holdings Limited	Fellow Subsidiary	**0.45**	0.06
	Reliance Jio Infocomm Limited	Fellow Subsidiary	**2,395.85**	96.14
	Indiawin Sports Private Limited	Fellow Subsidiary	**0.76**	1.09

Notes on financial statements for the year ended 31st March, 2017

Disclosure in respect of material related party transactions during the year: (Contd.)

	Particulars	Relationship	2016-17	2015-16
	Reliance Corporate IT Park Limited	Fellow Subsidiary	**843.22**	690.69
	Reliance Gas Pipelines Limited	Fellow Subsidiary	**0.61**	0.38
	Reliance Jio Digital Services Private Limited	Fellow Subsidiary	**0.33**	0.23
	Reliance Progressive Traders Private Limited (Previous year ₹ 15 990)	Fellow Subsidiary	**-**	0.00
	Reliance Sibur Elastomers Private Limited	Fellow Subsidiary	**0.02**	-
	Tv18 Broadcast Limited	Fellow Subsidiary	**0.02**	0.28
	Big Tree Entertainment Private Limited	Fellow Subsidiary	**0.64**	0.30
	Reliance Payment Solutions Limited	Fellow Subsidiary	**1.67**	0.86
	Reliance Jio Messaging Services Private Limited	Fellow Subsidiary	**0.11**	0.01
	Reliance Eminent Trading & Commercial Private Limited (Previous year ₹ 15 990)	Fellow Subsidiary	**0.00**	0.00
	Reliance Petroinvestments Limited (Previous year ₹ 15 990)	Fellow Subsidiary	**-**	0.00
	Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary	**0.05**	-
	Reliance SMSL Limited	Fellow Subsidiary	**1.71**	-
	Reliance Ambit Trade Private Limited (₹ 13 991)	Fellow Subsidiary	**0.00**	-
	Network18 Media & Investments Limited	Fellow Subsidiary	**0.01**	-
	Panorama Television Private Limited	Fellow Subsidiary	**0.88**	-
	Reliance Prolific Commercial Private Limited (₹ 13 991)	Fellow Subsidiary	**0.00**	-
	Reliance Jio Media Limited	Fellow Subsidiary	**3.40**	
	Reliance-Vision Express Private Limited	Joint Venture	**2.48**	1.76
10	**Other Income**			
	Reliance Clothing India Private Limited	Subsidiary	**3.86**	2.56
11	**Purchases**			
	Reliance Industries Limited	Ultimate Holding Company	**7.40**	179.93
	Reliance Petro Marketing Limited	Subsidiary	**0.10**	0.07
	Reliance Clothing India Private Limited	Subsidiary	**0.27**	0.34
	Reliance Brands Limited	Fellow Subsidiary	**1.86**	0.10
	Reliance Corporate IT Park Limited	Fellow Subsidiary	**0.47**	-
	Reliance Jio Infocomm Limited	Fellow Subsidiary	**1,042.10**	-
	Reliance Commercial Land & Infrastructure Limited	Fellow Subsidiary	**19.26**	-
	Marks and Spencer Reliance India Private Limited	Joint Venture	**1.65**	-
12	**Purchase of Stores & Spares**			
	Reliance Petro Marketing Limited	Subsidiary	**-**	0.11
13	**Sale of investement**			
	Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary	**1.05**	-
14	**Expenditure**			

Notes on financial statements for the year ended 31st March, 2017

Disclosure in respect of material related party transactions during the year: (Contd.)

	Particulars	Relationship	2016-17	2015-16
a.	**Interest cost**			
	Reliance Retail Ventures Limited	Holding Company	**13.04**	0.38
b.	**Store running expenses**			
	Reliance Corporate IT Park Limited	Fellow Subsidiary	**218.26**	183.19
	Reliance Retail Ventures Limited	Holding Company	**-**	0.06
	Reliance SMSL Limited	Fellow Subsidiary	**40.08**	28.17
	Reliance Payment Solutions Limited	Fellow Subsidiary	**0.10**	-
c.	**Building repairs and maintenance**			
	Reliance Corporate IT Park Limited	Fellow Subsidiary	**62.17**	56.31
d.	**Other Repairs**			
	Big Tree Entertainment Private Limited	Fellow Subsidiary	**0.01**	-
e.	**Electricity expenses**			
	Reliance Corporate IT Park Limited	Fellow Subsidiary	**153.12**	130.55
f.	**Rent**			
	Reliance Corporate IT Park Limited	Fellow Subsidiary	**202.01**	143.49
	Tv18 Home Shopping Network Limited	Fellow Subsidiary	**-**	1.66
	Reliance Innovative Building Solutions Private Limited	Fellow Subsidiary	**1.90**	1.35
g.	**Hire Charges**			
	Reliance SMSL Limited	Fellow Subsidiary	**3.57**	2.53
h.	**Sales promotion and advertisement expenses**			
	Big Tree Entertainment Private Limited	Fellow Subsidiary	**-**	0.07
i.	**Brokerage & Commission**			
	TV18 Home shopping Network Limited	Holding Company	**3.23**	-
j.	**Professional Fees**			
	Reliance Retail Ventures Limited	Holding Company	**16.07**	-
k.	**General expenses**			
	Reliance Corporate IT Park Limited	Fellow Subsidiary	**65.04**	54.44
l.	**Payment to key Managerial personnel**			
	Shri Pankaj Pawar	Key Managerial Personnel	**2.63**	2.88
	Shri V Subramaniam	Key Managerial Personnel	**0.57**	**-**

All related party contracts / arrangement have been entered on arms' length basis.

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

a) Loans given by the company to body corporate as at 31st March 2017 (Refer Note "3.1").

b) Investment made by the company as at 31st March 2017. (Refer Note "2")

Notes on financial statements for the year ended 31st March, 2017

36 Details of Specified Bank Notes (SBN) held and Transacted during the period 08/11/2016 to 30/12/2016 is as under:

₹ crore

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	**60.55**	**5.55**	**66.10**
(+) Permitted receipts	-	729.71	**729.71**
(-) Permitted payments [i]	-	8.65	**8.65**
(-) Amount deposited in Banks	60.55	696.93	**757.48**
Closing cash in hand as on 30.12.2016	**-**	**29.68**	**29.68**

[i] Includes Advance / Imprest / expenses during the period

37 The Financial statements were approved for issue by the board of directors on 20th April, 2017.

38 First time Ind AS adoption reconciliations

38.1 Effect of Ind AS adoption on the balance sheet as at March 2016 and April 1, 2015

₹ Crore

	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**	**Effect of transition to Ind AS**	**As per Ind AS balance sheet**
Assets						
Non-current assets						
Property, Plant and Equipment	2,026.87	-	2,026.87	2,053.83	-	2,053.83
Capital Work-in-Progress	483.90	-	483.90	423.16	-	423.16
Intangible Assets	2.62	-	2.62	0.36	-	0.36
Intangible Assets under Development	48.87	-	48.87	-	-	-
Financial Assets						
Investments	484.81	-	484.81	470.10	-	470.10
Loans	31.57	-	31.57	22.77	-	22.77
Deferred tax assets (Net)	445.58	555.84	1,001.42	563.33	555.84	1,119.17
Other Non-current assets	236.60	-	236.60	171.20	-	171.20
	3,760.82	**555.84**	**4,316.66**	**3,704.75**	**555.84**	**4,260.59**
Current assets						
Inventories	5,251.22	(1.65)	5,249.57	3,881.73	-	3,881.73
Financial Assets						
Investments	-	-	-	-	-	-
Trade receivables	217.93	-	217.93	210.81	-	210.81
Cash and cash equivalents	47.60	-	47.60	150.52	-	150.52
Other Financial Assets	262.46	1.65	264.11	284.18	-	284.18
Other Current Assets	387.37	-	387.37	333.59	-	333.59
Total Current assets	**6,166.58**	-	**6,166.58**	**4,860.83**	**-**	**4,860.83**
Total Assets	**9,927.40**	**555.84**	**10,483.24**	**8,565.58**	**555.84**	**9,121.42**

Notes on financial statements for the year ended 31st March, 2017

38.1 Effect of Ind AS adoption on the balance sheet as at March 2016 and April 1, 2015 (Contd.) ₹ Crore

	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**	**Effect of transition to Ind AS**	**As per Ind AS balance sheet**
EQUITY AND LIABILITIES						
Equity						
Equity Share capital	4,989.54	-	4,989.54	4,989.54	-	4,989.54
Other Equity	580.36	554.15	1,134.51	273.82	555.84	829.66
Total equity	**5,569.90**	**554.15**	**6,124.05**	**5,263.36**	**555.84**	**5,819.20**
Liabilities						
Non-current liabilities						
Financial Liabilities						
Borrowings	1.03	-	1.03	3.37	-	3.37
Provisions	14.62	-	14.62	11.95	-	11.95
Total non-current liabilities	**15.65**	**-**	**15.65**	**15.32**	**-**	**15.32**
Current liabilities						
Financial Liabilities						
Borrowings	1,086.89	-	1,086.89	1,670.16	-	1,670.16
Trade payables	2,711.25	-	2,711.25	1,171.37	-	1,171.37
Other Financial Liabilities	117.63	1.69	119.32	95.60	-	95.60
Other Current Liabilities	424.20	-	424.20	348.68	-	348.68
Provisions	1.88	-	1.88	1.09	-	1.09
Total current liabilities	**4,341.85**	**1.69**	**4,343.54**	**3,286.90**	**-**	**3,286.90**
Total Liabilities	**4,357.50**	**1.69**	**4,359.19**	**3,302.22**	**-**	**3,302.22**
Total equity and liabilities	**9,927.40**	**555.84**	**10,483.24**	**8,565.58**	**555.84**	**9,121.42**

38.2 Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31 2016 ₹ Crore

	Year ended 31/03/2016		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
INCOME			
Revenue from operations	**18,399.22**	**(69.27)**	18,329.95
Other Income	**19.14**	-	19.14
Total Revenue	**18,418.36**	**(69.27)**	18,349.09
EXPENDITURE			
Cost of Material Consumed	**360.10**	-	360.10
Purchase of Stock-in-Trade	**15,816.47**	(1.65)	15,814.82
Changes in Inventories of Finished Goods and Stock-in-Trade	**(1,357.71)**	1.65	(1,356.06)
Employee Benefits Expense	**526.12**	(0.87)	525.25
Finance Costs	**117.71**	-	117.71
Depreciation and Amortisation Expense	**324.29**	-	324.29
Other Expenses	**2,141.41**	(67.57)	2,073.84
Total Expenses	**17,928.39**	**(68.44)**	**17,859.95**

Notes on financial statements for the year ended 31st March, 2017

Profit Before Tax	**489.97**	**(0.83)**	**489.14**
Tax Expenses			
Current Tax	**65.68**	0.12	65.80
Deferred Tax	**117.75**	-	117.75
Profit for the Year	**306.54**	**(0.95)**	**305.59**

38.3 Reconciliation of Other Equity between Ind AS and Previous GAAP

₹ Crore

Sr. No.	**Nature of adjustments**	Notes	Year ended 31st March, 2016	As at 31st March, 2016	As at 1st April, 2015
	Net Profit / Other Equity as per Previous Indian GAAP		**306.54**	580.36	273.82
1	Fair Valuation for Financial Assets	A	(1.69)	(1.69)	-
2	Deferred Tax	B	-	555.84	555.84
3	Others	C	0.74	-	-
	Total		(0.95)	554.15	555.84
	Net profit before OCI / Other Equity as per Ind AS		**305.59**	1,134.51	829.66

Notes:

A) Financial Assets/Liability including certain investments have been recorded at fair value as at 1st April, 2015 with the resultant gain in the reserves.

For subsequent measurements, these assets have been valued at amortised cost using effecive interest rate / fair value through profit or loss (FVTPL) / fair value through other comprehensive income (FVTOCI) as per accounting policy determined by the company.

B) Deferred Tax - The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred taxes has resulted in charge to the Reserves, on the date of transition, with consequential impact to the Profit and Loss account for the subsequent periods.

C) Employee Benefits - Under Ind AS, actuarial gains and losses are recognised in Other Comprehensive Income.

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants

Amit Chaturvedi
Partner

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

Ketan Vora
Partner

Mumbai
Dated : 20th April, 2017

For and on behalf of the Board

V. Subramaniam
Whole-Time Director

K Sudarshan
Director

Pankaj Pawar
Director

Ranjit V Pandit
Director

Sanjay Jog
Director

Ashwin Khasgiwala
Chief Financial Officer

K Sridhar
Company Secretary