

**Reliance Brands Limited**

**Financial Statements**

**2020-21**

## **INDEPENDENT AUDITOR'S REPORT**

**To**  
**The Members of Reliance Brands Limited**

**Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the Financial Statements of Reliance Brands Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of profit and loss, Statement of changes in equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 March 31, 2021, and its Loss including Other Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its Financial Statements.

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. In our opinion, the managerial remuneration for the year ended March, 2021 has been provided / paid by the Company to its directors in accordance with the provisions of section 197 read with Schedule V of the Act.

**For Rajendra & Co**

Chartered Accountants

Firm's Registration No. 108355W

**K. K. Desai**

Partner

Membership No. 100805

UDIN:21100805AAAADC2317

Place: Mumbai

Date: 27<sup>th</sup> April, 2021

**“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE BRANDS LIMITED**

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

- i. In respect of its fixed assets :
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c. As the Company has no immovable assets and hence, clause (i) (c) of paragraph 3 of the Order is not applicable to the Company.
- ii. As explained to us, physical verification of the inventories have been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies were noticed on such physical verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
- iv. In our opinion and according to the information and explanations provided to us, the company has not guaranteed any loans, not provided any security, guarantees in respect of parties covered under section 185 of the companies Act, 2013. Provisions 186 of the Companies Act 2013 in respect of investments made and, guarantees, and securities given have been complied with by the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause(v) of paragraph 3 of the Order is not applicable to the Company
- vi. In our opinion, to the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.
- vii. In respect of Statutory dues :
  - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues have been generally regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at 31<sup>st</sup> March, 2021 for a period of more than six months from the date becoming payable.
  - b. According to the information and explanations given to us, there are no the dues of Income Tax, Sales Tax, Goods and Service Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, cess on account of any dispute, which have not been deposited with the appropriate authorities as at balance sheet date.
- viii. In our opinion and according to the information given to us, the Company has not raised loans from financial institutions or banks or government and no amounts were due for repayments to debenture holders; hence clause (viii) of paragraph 3 of the Order is not applicable to the Company.
- ix. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans and hence clause (ix) of paragraph 3 of the order is not applicable to the Company.

- x. In our opinion, based on the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanation given to us, the managerial remuneration has been provided / paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V to Companies Act, 2013.
- xii. In our opinion, the Company is not a Nidhi Company and hence reporting under the provisions of clause (xii) of paragraph 3 of the Order is not applicable to the Company.
- xiii. In our opinion and according to information and explanations provided by the management, transactions with related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- xiv. In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence 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 transaction with the directors or persons connected with him and covered under section 192 of the Act and hence reporting under clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
- xvi. In our opinion, to the best of our knowledge and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Rajendra & Co**

Chartered Accountants

Firm's Registration No. 108355W

**K. K. Desai**

Partner

Membership No. 100805

UDIN: 21100805AAAADC2317

Place: Mumbai

Date: 27<sup>th</sup> April, 2021

## **ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE BRANDS LIMITED**

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

### **Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the Internal Financial Control over financial reporting of **RELIANCE BRANDS LIMITED** (“the company”) as of 31<sup>st</sup> March, 2021 in conjunction with our audit of the Financial Statements of the Company for the year then ended.

#### **Management Responsibility for the Internal Financial Controls**

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

#### **Auditor’s Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### **For Rajendra & Co**

Chartered Accountants

Firm's Registration No. 108355W

### **K. K. Desai**

Partner

Membership No. 100805

UDIN: 21100805AAAADC2317

Place: Mumbai

Date: 27<sup>th</sup> April, 2021.

**Reliance Brands Limited**  
**Balance Sheet as at 31st March, 2021**

	Notes	As at 31st March, 2021	As at 31st March, 2020	₹ crore
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	1	8 16.26	8 17.31	
Capital Work-in-Progress	1	36.58	22.96	
Intangible Assets	1	<u>4.82</u>	<u>5.26</u>	
		8 57.66	8 45.53	
Financial Assets				
Investments	2	14 15.70	10 48.45	
Loans	3	1 03.94	4 03.23	
Deferred Tax Assets (net)	4	1 89.63	1 29.44	
Other Non-Current Assets	5	<u>11.43</u>	<u>16.09</u>	
<b>Total Non-Current Assets</b>		<b>25 78.36</b>	<b>24 42.74</b>	
<b>Current Assets</b>				
Inventories	6	3 65.50	3 90.54	
Financial Assets				
Trade Receivables	7	1 00.63	1 32.55	
Cash and Cash Equivalents	8	13.68	8.23	
Other Financial Assets	9	87.07	53.98	
Other Current Assets	10	<u>81.45</u>	<u>96.81</u>	
<b>Total Current Assets</b>		<b>6 48.33</b>	<b>6 82.11</b>	
<b>Total Assets</b>		<b><u>32 26.69</u></b>	<b><u>31 24.85</u></b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	11	1 01.08	1 01.08	
Other Equity	12	<u>(2 83.64)</u>	<u>( 72.84)</u>	
<b>Total Equity</b>		<b>(1 82.56)</b>	<b>28.24</b>	
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Financial Liabilities				
Borrowings	13	26 06.86	22 35.45	
Other Financial liabilities	14	4 77.14	4 46.75	
Provisions	15	<u>10.94</u>	<u>10.06</u>	
<b>Total Non-Current Liabilities</b>		<b>30 94.94</b>	<b>26 92.26</b>	
<b>Current Liabilities</b>				
Financial Liabilities				
Trade Payables due to:	16			
Micro and Small Enterprises		1.41	1.58	
Other than Micro and Small Enterprises		1 45.05	1 94.88	
Other Financial Liabilities	17	1 31.21	1 73.35	
Other Current Liabilities	18	34.90	34.33	
Provisions	19	<u>1.74</u>	<u>0.21</u>	
<b>Total Current Liabilities</b>		<b>3 14.31</b>	<b>4 04.35</b>	
<b>Total Liabilities</b>		<b>34 09.25</b>	<b>30 96.61</b>	
<b>Total Equity and Liabilities</b>		<b><u>32 26.69</u></b>	<b><u>31 24.85</u></b>	

Significant Accounting Policies

See accompanying Notes to the Financial Statements **1 to 34**

As per our report of even date  
**For Rajendra & Co**  
Chartered Accountants  
Firm's Registration No. 108355W

**K.K. Desai**  
Partner  
Membership No. 100805

Mumbai  
Dated : April 27th, 2021

For and on behalf of the Board

**Darshan Mehta**  
Managing Director  
(DIN: 00103155)

**V Subramaniam**  
Director  
(DIN:00009621)

**Pranav Lodhavia**  
Chief Financial Officer

**Prerna Poddar**  
Company Secretary



**Reliance Brands Limited**  
**Statement of Changes in Equity for the year ended 31st March, 2021**

**A. Equity Share Capital**

	Balance as at 1st April, 2019	Changes during the year 2019-20	Balance as at 31st March, 2020	Changes during the year 2020-21	₹ crore <b>Balance as at 31st March, 2021</b>
	1 01.08	-	1 01.08	-	<b>1 01.08</b>

**B. Other Equity**

	<b>Instruments Classified as Equity</b>	<b>Reserves &amp; Surplus</b>	<b>Other Comprehensive Income</b>	₹ crore <b>Total</b>
	<b>Zero Coupon Optionally Fully Convertible Debentures of ₹ 10 each, fully paid up</b>	<b>Retained Earnings</b>		
<b>As on 31st March, 2020</b>				
Balance as at 1st April, 2019 <sup>(i), (ii) (iii) &amp; (iv)</sup>	5 42.00	(4 40.22)	1.84	1 03.62
Total Comprehensive income for the year	-	(1 76.68)	0.22	(1 76.46)
Balance as at 31st March, 2020	<b>5 42.00</b>	<b>(6 16.90)</b>	<b>2.06</b>	<b>( 72.84)</b>
<b>As on 31st March, 2021</b>				
Balance as at 1st April, 2020 <sup>(i), (ii) (iii) &amp; (iv)</sup>	5 42.00	(6 16.90)	2.06	( 72.84)
Total Comprehensive income for the year	-	(2 11.20)	0.40	(2 10.80)
Balance as at 31st March, 2021	<b>5 42.00</b>	<b>(8 28.10)</b>	<b>2.46</b>	<b>(2 83.64)</b>

## Reliance Brands Limited

### Statement of Changes in Equity for the year ended 31st March, 2021

- i) The Company has an option for conversion of 48,50,00,000 Zero Coupon Optionally Fully Convertible Debentures (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 15 years from the date of allotment i.e. 31st March 2016.
- ii) The Company has an option for conversion of 3,00,00,000 Zero Coupon Optionally Fully Convertible Debentures (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, 2016. If not converted, the Company will redeem the outstanding OFCDs on the expiry of 15 years from the date of allotment i.e. 10th October, 2016.
- iii) The Company has an option for conversion of 2,00,00,000 Zero Coupon Optionally Fully Convertible Debentures (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, 2016. If not converted, the Company will redeem the outstanding OFCDs on the expiry of 15 years from the date of allotment i.e. 20th December, 2016.
- iv) The Company has an option for conversion of 70,00,000 Zero Coupon Optionally Fully Convertible Debentures (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, 2017. If not converted, the Company will redeem the outstanding OFCDs on the expiry of 15 years from the date of allotment i.e. 26th March, 2018.

As per our report of even date  
**For Rajendra & Co**  
 Chartered Accountants  
 Firm's Registration No. 108355W

**K.K. Desai**  
 Partner  
 Membership No. 100805

Mumbai  
 Dated : April 27th, 2021

For and on behalf of the Board

**Darshan Mehta**  
 Managing Director  
 (DIN: 00103155)

**V Subramaniam**  
 Director  
 (DIN: 00009621)

**Pranav Lodhavia**  
 Chief Financial Officer

**Prerna Poddar**  
 Company Secretary

**Reliance Brands Limited**  
**Cash Flow Statement for the period ended 31st March, 2021**

	2020-21	₹ crore 2019-20
<b>A: CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Loss Before Tax as per Statement of Profit and Loss</b>	<b>(2 71.39)</b>	<b>(2 06.53)</b>
<b>Adjusted for:</b>		
(Profit)/ Loss on sale/ discard of Property, Plant and Equipment (Net)	18.83	4.87
Depreciation and Amortisation Expense	1 78.16	1 64.23
Effect of Exchange Rate Change	( 17.78)	( 24.63)
Provision for doubtful debts/ bad debts written off	-	0.01
Net Gain on Financials assets	-	( 0.01)
Dividend income	( 3.54)	( 11.35)
Lease liabilities written back	( 90.80)	-
Interest Income	( 8.47)	( 9.99)
Finance Costs	<u>2 29.95</u>	<u>2 09.91</u>
	<b>3 06.35</b>	<b>3 33.04</b>
<b>Operating Profit before Working Capital Changes</b>	<b>34.96</b>	<b>1 26.51</b>
<b>Adjusted for:</b>		
Trade and Other Receivables	27.94	( 74.14)
Inventories	25.04	( 72.51)
Trade and Other Payables	<u>( 30.07)</u>	<u>(1 28.89)</u>
	<b>22.91</b>	<b>(2 75.54)</b>
<b>Cash Generated from Operations</b>	<b>57.87</b>	<b>(1 49.03)</b>
Taxes Paid (Net)	<b>4.07</b>	<b>( 5.90)</b>
<b>Net Cash Flow used in Operating Activities</b>	<b>61.94</b>	<b>(1 54.93)</b>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment and Intangible Assets	<b>( 53.90)</b>	<b>( 95.60)</b>
Proceeds from disposal of Property, Plant and Equipment and Intangible assets	<b>0.01</b>	<b>0.21</b>
Investments in Subsidiary / Joint Ventures / Associates	<b>( 31.86)</b>	<b>(3 43.64)</b>
Purchase of Other Investments	-	( 21.50)
Proceeds from Sale of Financial Assets	-	21.51
Share Application Money Paid	-	1.25
Loans refunded by / (given to) Subsidiary	<b>( 44.53)</b>	<b>(3 33.00)</b>
Interest Income	<b>2.77</b>	<b>42.88</b>
Dividend income from Joint Venture	<b>3.54</b>	<b>11.35</b>
<b>Net Cash Flow used in Investing Activities</b>	<b>(1 23.97)</b>	<b>(7 16.55)</b>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings - Non-Current	<b>32 92.21</b>	<b>14 86.74</b>
Repayment of Borrowings - Non-Current	<b>(29 20.80)</b>	<b>(3 02.38)</b>
Interest Paid	<b>(2 86.77)</b>	<b>(1 99.45)</b>
Payment of Lease Liabilities	<b>( 17.16)</b>	<b>(1 14.27)</b>
<b>Net Cash Flow from Financing Activities</b>	<b>67.48</b>	<b>8 70.64</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>5.45</b>	<b>( 0.83)</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>8.23</b>	<b>9.06</b>
<b>Closing Balance of Cash and Cash Equivalents (Refer Note "8")</b>	<b>13.68</b>	<b>8.23</b>

As per our report of even date  
**For Rajendra & Co**  
Chartered Accountants  
Firm's Registration No. 108355W

**K.K. Desai**  
Partner  
Membership No. 100805

Mumbai  
Dated : April 27th, 2021

For and on behalf of the Board

**Darshan Mehta**  
Managing Director  
(DIN: 00103155)

**V Subramaniam**  
Director  
(DIN: 00009621)

**Pranav Lodhavia**  
Chief Financial Officer

**Prerna Poddar**  
Company Secretary

**Reliance Brands Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2021**

---

**A. Corporate Information**

Reliance Brands Limited (“the Company”) is a limited company incorporated in India having its registered office at 5th floor, Court House, Lokmanya Tilak Marg, Dhobi Talao, Mumbai 400 002, India. The Company’s immediate holding Company is Reliance Retail Ventures Limited and Ultimate holding company is Reliance Industries Limited. The Company is engaged in organised retail primarily catering to Indian consumers.

**B. Significant Accounting Policies**

**B.1 Basis of Preparation and Presentation**

The Financial Statements have been prepared on the historical cost basis except for certain financial assets and liabilities (including derivative instruments) which have been measured at fair value amount.

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.

The Company’s Financial Statements are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded to the nearest crore (₹ 00,00,000) except when otherwise stated.

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

**(a) Current and Non-Current Classification**

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.

An asset is treated as Current when it is –

Expected to be realised or intended to be sold or consumed in normal operating cycle;

Held primarily for the purpose of trading;

Expected to be realised within twelve months after the reporting period, or

Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

It is expected to be settled in normal operating cycle;

It is held primarily for the purpose of trading;

It is due to be settled within twelve months after the reporting period, or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**(b) Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price and any cost directly attributable to bringing the assets to its working condition for its intended use.

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

**Reliance Brands Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2021**

---

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

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

Depreciation on Property, Plant and Equipment is provided on straight line method and based on useful life of the assets as prescribed in 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.

Gains or losses arising from derecognition of a Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognised.

**(c) Leases**

The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

**(d) Intangible Assets**

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

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

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



**Reliance Brands Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2021**

---

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 recognized in the Statement of Profit and Loss when the asset is derecognized.

The company's intangible assets comprises assets with finite useful life which are amortised on a straight-line basis over the period of their expected useful life. The amortisation period and the amortisation method for Intangible Assets with a finite useful life are reviewed at each reporting date.

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

**(e) Research and Development Expenditure**

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss.

Development costs are capitalized as an intangible asset if it can be demonstrated that the project is expected to generate future economic benefits, it is probable that those future economic benefits will flow to the entity and the costs of the asset can be measured reliably, else it is charged to the Statement of Profit and Loss.

**(f) Cash and Cash Equivalent**

Cash and cash equivalents comprise of cash on hand, cash at banks, short term deposits and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(g) Finance Cost**

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

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

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

**(h) 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 cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Costs of inventories are determined on weighted average basis.

**(i) Impairment of Non-Financial Assets – Property, Plant and Equipment and Intangible Assets**

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

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

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

**(j) 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.

**(k) Contingent Liabilities**

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

**(l) Employee Benefits Expense**

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

**Defined Benefit Plans**

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

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

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

**(m) Tax Expenses**

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

**i) Current Tax**

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

**ii) Deferred Tax**

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

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized.

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.

**(n) Foreign Currencies Transactions and Translation**

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

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

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

**(o) Revenue Recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangement, because it typically controls the goods or services before transferring them to the customer.

Generally, control is transfer upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

In case of discounts, rebates, credits, price incentives or similar terms, consideration are determined based on its most likely amount, which is assessed at each reporting period.

**Contract balances**

**Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional.

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays

**Reliance Brands Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2021**

---

consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

**Interest Income**

Interest Income from a Financial Asset is recognised using effective interest rate method.

**Dividend Income**

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

**(p) Financial Instruments**

**i) Financial Assets**

**A. Initial Recognition and Measurement**

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

**B. Subsequent Measurement**

**a) Financial Assets Measured at Amortised Cost (AC)**

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise to cash flow on specified dates that represents solely payments of principal and interest on the principal amount outstanding.

**b) Financial Assets Measured at Fair Value Through Other Comprehensive Income (FVTOCI)**

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

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

A Financial Asset which is not classified in any of the above categories are measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

**C. Investment In Subsidiaries, Associates and Joint Ventures**

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

**D. Other Equity Investments**

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'. However, dividend on such equity investments are recognized in Statement of Profit and loss when the company's right to receive payment is established.

**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).

**Reliance Brands Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2021**

---

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

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

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

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

**ii) Financial Liabilities**

**A. Initial Recognition And Measurement**

All Financial Liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**B. Subsequent Measurement**

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

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

**iii) Derivative Financial Instruments**

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. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently 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.

**iv) Derecognition of Financial Instruments**

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

**v) Offsetting**

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

**(r) Earnings per share**

Basic earnings per share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

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

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

#### **a) Depreciation / Amortisation And Useful Life of Property Plant and Equipment / Intangible Assets**

Estimates are involved in determining the cost attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management. 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 life 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 life 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 rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

#### **c) Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

#### **d) Impairment of Financial and Non-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.

In case of non-financial assets company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use.

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 transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

#### **e) Recognition of Deferred Tax Assets and liabilities:**

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

#### **f) Fair Value Measurement**

For estimates relating to fair value of financial instruments refer note 30 of financial statements.

**g) Estimation Uncertainty Relating to the Global Health Pandemic on Covid 19**

Management has performed the assessment of the effect of COVID -19 on the recoverability of the value of assets as at the end of the year and liquidity position as well as business activities in the foreseeable future. Based on the assessment, presently there are no significant concerns regarding recoverability of the value of the assets as well as on liquidity and continuity of the business. The impact of COVID – 19 may be different from that estimated as at the date of approval of these financial statements and the Company will continue to monitor any material changes to future economic conditions.

**Reliance Brands Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2021**

**1. Property, Plant and Equipment, Capital Work-in-Progress and Intangible Assets**

₹ crore

Description	Gross block				Depreciation/ amortisation				Net block	
	As at 1st April, 2020	Additions	Deductions/ Adjustments	As at 31st March, 2021	As at 1st April, 2020	For the year	Deductions/ Adjustments	As at 31st March, 2021	As at 31st March, 2021	As at 31st March, 2020
<b>Property, Plant and Equipment</b>										
<b>Own assets:</b>										
Plant and machinery	46.70	5.10	3.10	<b>48.70</b>	19.60	6.83	1.63	<b>24.80</b>	<b>23.90</b>	27.10
Electrical installations	47.40	4.90	2.55	<b>49.75</b>	14.06	4.67	1.13	<b>17.60</b>	<b>32.15</b>	33.34
Equipment	74.22	5.32	3.02	<b>76.52</b>	18.10	5.01	0.87	<b>22.24</b>	<b>54.28</b>	56.12
Furniture and fixtures	1 16.45	13.70	12.17	<b>1 17.98</b>	38.80	10.81	4.73	<b>44.88</b>	<b>73.10</b>	77.65
Vehicles	1.43	-	1.43	-	1.35	0.01	1.36	-	-	0.08
Leasehold improvements	1 50.42	15.60	11.05	<b>1 54.97</b>	57.82	14.24	4.76	<b>67.30</b>	<b>87.67</b>	92.60
<b>Sub-Total</b>	<b>4 36.62</b>	<b>44.62</b>	<b>33.32</b>	<b>4 47.92</b>	<b>1 49.73</b>	<b>41.57</b>	<b>14.48</b>	<b>1 76.82</b>	<b>2 71.10</b>	<b>2 86.89</b>
<b>Right-of-Use Assets:</b>										
Operating Lease	6 57.47	1 50.74	-	<b>8 08.21</b>	1 27.05	1 36.00	-	<b>2 63.05</b>	<b>5 45.16</b>	5 30.42
<b>Sub-Total</b>	<b>6 57.47</b>	<b>1 50.74</b>	<b>-</b>	<b>8 08.21</b>	<b>1 27.05</b>	<b>1 36.00</b>	<b>-</b>	<b>2 63.05</b>	<b>5 45.16</b>	<b>5 30.42</b>
<b>Total (i)</b>	<b>10 94.09</b>	<b>1 95.36</b>	<b>33.32</b>	<b>12 56.13</b>	<b>2 76.78</b>	<b>1 77.57</b>	<b>14.48</b>	<b>4 39.87</b>	<b>8 16.26</b>	<b>8 17.31</b>
<b>Intangible assets</b>										
Franchisee rights	10.41	-	-	<b>10.41</b>	5.82	0.50	-	<b>6.32</b>	<b>4.09</b>	4.59
Software	1.69	0.15	-	<b>1.84</b>	1.02	0.09	-	<b>1.11</b>	<b>0.73</b>	0.67
<b>Total (ii)</b>	<b>12.10</b>	<b>0.15</b>	<b>-</b>	<b>12.25</b>	<b>6.84</b>	<b>0.59</b>	<b>-</b>	<b>7.43</b>	<b>4.82</b>	<b>5.26</b>
<b>Total (i+ii)</b>	<b>11 06.19</b>	<b>1 95.51</b>	<b>33.32</b>	<b>12 68.38</b>	<b>2 83.62</b>	<b>1 78.16</b>	<b>14.48</b>	<b>4 47.30</b>	<b>8 21.08</b>	<b>8 22.57</b>
<b>Previous year</b>	<b>3 42.46</b>	<b>7 74.49</b>	<b>10.76</b>	<b>11 06.19</b>	<b>1 25.07</b>	<b>1 64.23</b>	<b>5.68</b>	<b>2 83.62</b>	<b>8 22.57</b>	
<b>Capital work-in-progress</b>									<b>36.58</b>	22.96

1.1 Capital work-in-progress includes ₹ 11.62 crores (Previous year ₹ 12.81 crores) on account of capital goods inventory.



**Reliance Brands Limited**
**Notes to the Financial Statements for the year ended 31st March, 2021**

2 Investments - Non-Current	As at		₹ crore	
	31st March, 2021	31st March, 2021	31st March, 2020	31st March, 2020
	Units	Amount	Units	Amount
<b>Investments measured at Cost</b>				
<b>In Equity Shares of Subsidiary Companies - Unquoted, Fully Paid Up</b>				
Reliance Brands Holding UK Limited of GBP 1 each	72,959,354	673.15	35,940,100	3 08.92
<b>Sub-total (a)</b>		<b>6 73.15</b>		<b>3 08.92</b>
<b>Investments measured at Cost</b>				
<b>In Equity Shares of Joint Ventures/ Associate Companies - Unquoted, Fully Paid Up</b>				
Diesel Fashion India Reliance Private Limited of ₹ 10 each	56,595,000	56.59	56,595,000	56.59
Reliance Paul & Shark Fashions Private Limited of ₹ 10 each	13,100,000	13.10	12,100,000	12.10
Zegna South Asia Private Limited of ₹ 10 each	29,844,272	30.35	29,844,272	30.35
Brooks Brothers India Private Limited of ₹ 10 each	24,500,000	24.50	24,500,000	24.50
Iconix Lifestyle India Private Limited of ₹ 10 each	2,505,000	32.20	2,505,000	32.20
Ryohin-Keikaku Reliance India Private Limited of ₹ 10 each	26,362,000	26.36	24,892,000	24.89
Reliance Bally India Private Limited of ₹ 10 each	4,850,000	4.85	4,850,000	4.85
Reliance GAS Lifestyle India Private Limited of ₹ 10 each	49,999,994	50.00	49,999,994	50.00
TCO Reliance India Private Limited of ₹ 10 each	13,720,000	13.72	13,720,000	13.72
Reliance Sideways Private Limited of ₹ 10 each	5,000	0.01	5,000	0.01
Reliance Lifestyle Products Private Limited (Formerly V&B Lifestyle India Private Limited) of ₹ 10 each	8,745,000	0.07	-	-
Reliance Brands Luxury Fashion Private Limited (Formerly Genesis Luxury Fashion Private Limited) of ₹ 10 each	8,364,189	2 73.80	8,349,140	2 73.32
Genesis Colors Limited ₹ 10 each	5,486,489	2 03.50	5,486,489	2 03.50
<b>Sub-total (b)</b>		<b>7 29.05</b>		<b>7 26.03</b>
<b>Investment measured at Fair Value through Other Comprehensive Income</b>				
<b>In Equity Shares - Unquoted, Fully Paid Up</b>				
Future 101 Design Private Limited of ₹ 10 each	2,019	13.50	2,019	13.50
<b>Sub-total (c)</b>		<b>13.50</b>		<b>13.50</b>
<b>Total (a+b+c)</b>		<b>14 15.70</b>		<b>10 48.45</b>
Aggregate amount of Unquoted investments		14 15.70		10 48.45
<b>2.1 Category-wise Investment - Non-Current</b>		<b>31st March, 2021</b>		<b>31st March, 2020</b>
Financial assets measured at Cost		14 02.20		10 34.95
Financial assets measured at Fair Value through Other Comprehensive Income		13.50		13.50
<b>Total Investment - Non-Current</b>		<b>14 15.70</b>		<b>10 48.45</b>

**Reliance Brands Limited****Notes to the Financial Statements for the year ended 31st March, 2021**

	<b>As at 31st March, 2021</b>	₹ crore As at 31st March, 2020
<b>3 Loans - Non-Current</b> <i>(Unsecured and Considered Good)</i>		
Loans and advances to related parties [Refer Note 32(ii)]	<b>44.47</b>	3 35.33
Others *	<b>59.47</b>	67.90
<b>Total</b>	<b><u>1 03.94</u></b>	<b><u>4 03.23</u></b>

\* Others include fair value of interest free rental deposits

**3.1 Loans and Advances in the nature of Loans given to Subsidiaries, Fellow Subsidiaries and Associates****a) Loans and Advances in the nature of Loans to Fellow Subsidiaries**

<b>Sr No.</b>	<b>Name of the company</b>	<b>As at 31st March, 2021</b>	Maximum balance during the year	<b>As at 31st March, 2020</b>	Maximum balance during the year
				₹ crore	
1	Genesis Colors Limited	<b>21.15</b>	<b>21.15</b>	1.00	2.33
2	Genesis Luxury Fashion Private Limited <i>(Formerly Genesis Luxury Fashion Private Limited)</i>	<b>23.32</b>	<b>54.65</b>	19.49	41.40
3	Reliance Brands Holding UK Limited	<b>-</b>	<b>6 73.15</b>	<b>3 14.84</b>	<b>3 14.84</b>
	<b>Total</b>	<b><u>44.47</u></b>		<b><u>3 35.33</u></b>	

(i) All the above loans are given for business purpose.

(ii) Loans and advances shown above, fall under the category of 'Non-Current Loans' are repayable within 3 to 5 years.

**Reliance Brands Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2021**

4 Deferred Tax Assets (Net)	₹ crore	
	As at 31st March, 2021	As at 31st March, 2020

The movement on the deferred tax account is as follows:

At the start of the year	1 29.44	99.59
Credit to profit or loss (Note 25)	<u>60.19</u>	<u>29.85</u>
<b>At the end of year</b>	<b><u>1 89.63</u></b>	<b><u>1 29.44</u></b>

Components of Deferred tax Assets / (liabilities)

	₹ crore		
	As at 31st March, 2020	Charge/(credit) to Statement of Profit and Loss	As at 31st March, 2021
<b>Deferred tax Assets / (Liabilities) in relation to:</b>			
Property, Plant and Equipment	14.82	( 11.14)	25.96
Carried Forward Losses	1 11.95	( 48.44)	1 60.39
Disallowance under the Income Tax Act, 1961	<u>2.67</u>	<u>( 0.61)</u>	<u>3.28</u>
<b>Total</b>	<b><u>1 29.44</u></b>	<b><u>( 60.19)</u></b>	<b><u>1 89.63</u></b>

**Reliance Brands Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2021**

	As at 31st March, 2021	₹ crore As at 31st March, 2020
<b>5 Other Non-Current Assets</b> <i>(unsecured and considered good)</i>		
Capital Advances	0.24	1.21
Deposits <sup>(i)</sup>	0.06	0.06
Advance Income Tax (Net of Provision) <sup>(ii)</sup>	10.74	14.81
Other Loans and Advances <sup>(iii)</sup>	0.39	0.01
<b>Total</b>	<b>11.43</b>	<b>16.09</b>

(i) Deposits given to statutory authorities.

	As at 31st March, 2021	₹ crore As at 31st March, 2020
<b>(ii) Advance Income Tax (Net of Provision)</b>		
At start of year	14.81	8.91
Tax Paid (Net) during the year	( 4.07)	5.90
<b>At end of year</b>	<b>10.74</b>	<b>14.81</b>

(iii) Represents loan to employees.

**Reliance Brands Limited****Notes to the Financial Statements for the year ended 31st March, 2021**

	<b>As at</b>	₹ crore
	<b>31st March, 2021</b>	As at 31st March, 2020
<b>6 Inventories</b> <i>(valued at lower of cost or net realisable value)</i>		
Stock-in-trade	<b>3 52.84</b>	3 79.39
Stores and spares	<b>12.66</b>	11.15
<b>Total</b>	<b><u>3 65.50</u></b>	<b><u>3 90.54</u></b>

**Reliance Brands Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2021**

	<b>As at</b>	₹ crore
	<b>31st March, 2021</b>	As at 31st March, 2020
<b>7 Trade Receivables</b> <i>(unsecured and considered good)</i>		
Trade Receivables	<b>1 00.63</b>	1 32.55
<b>Total</b>	<b><u>1 00.63</u></b>	<b><u>1 32.55</u></b>

**Reliance Brands Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2021**

<b>8 Cash &amp; Cash Equivalents</b>	<b>As at</b>	<b>₹ crore</b>
	<b>31st March, 2021</b>	<b>As at</b>
		<b>31st March, 2020</b>
Cash on Hand	<b>1.56</b>	1.09
Balances with banks <sup>(i) and (ii)</sup>	<b>12.12</b>	7.14
<b>Cash and Cash Equivalents as per Balance Sheet / Statement of Cash Flows</b>	<b>13.68</b>	<b>8.23</b>

- (i) Includes deposits ₹ 0.04 crore (Previous year ₹ 0.00 crore) with maturity period of more than 12 months.
- (ii) Includes deposits ₹ 8.19 crore (previous year ₹ 4.90 crore) held by tax authority as security and by bank as margin money for bank guarantees and forward contracts.
- 8.1 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.

**Reliance Brands Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2021**

	<b>As at</b>	₹ crore
<b>9 Other Financial Assets - Current</b>	<b>31st March, 2021</b>	As at 31st March, 2020
Deposits	72.91	45.58
Others <sup>(i)</sup>	14.16	8.40
<b>Total</b>	<b><u>87.07</u></b>	<b><u>53.98</u></b>

(i) Includes interest receivable.



**Reliance Brands Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2021**

	<b>As at</b>	₹ crore
	<b>31st March, 2021</b>	As at 31st March, 2020
<b>10 Other Current Assets</b>		
<i>(Unsecured and Considered Good)</i>		
Balance with Customs, GST and State authorities	<b>43.35</b>	53.34
Others <sup>(i)</sup>	<b>38.10</b>	43.47
<b>Total</b>	<b><u>81.45</u></b>	<b><u>96.81</u></b>

(i) Includes advances to employees and vendors.

## Reliance Brands Limited

### Notes to the Financial Statements for the year ended 31st March, 2021

11 Share capital	As at 31st March, 2021	₹ crore As at 31st March, 2020
<b>Authorised Share Capital :</b>		
<b>186,150,000</b> Equity Shares of ₹ 10 each (186,150,000)	<b>1 86.15</b>	1 86.15
<b>Total</b>	<b><u>1 86.15</u></b>	<b><u>1 86.15</u></b>
<b>Issued, Subscribed and Paid-up :</b>		
<b>101,075,000</b> Equity Shares of ₹ 10 each fully paid up (101,075,000)	<b>1 01.08</b>	1 01.08
<b>Total</b>	<b><u>1 01.08</u></b>	<b><u>1 01.08</u></b>

(i) Out of the above 8,08,60,000 (previous year 8,08,60,000) equity shares of ₹ 10 each fully paid-up are held by Reliance Retail Ventures Limited, the holding company, along with its nominees.

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

Name of the Shareholders	31st March, 2021		31st March, 2020	
	No. of Shares	% held	No. of Shares	% held
Reliance Retail Ventures Limited*	<b>80,860,000</b>	<b>80.00</b>	80,860,000	80.00
L V Merchant jointly with K R Raja (As trustees of Reliance Brands Stock Option Trust)	<b>20,215,000</b>	<b>20.00</b>	20,215,000	20.00

\* includes 6 shares held by nominees

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
	No. of shares	No. of shares
Equity shares at the beginning of the year	<b>101,075,000</b>	101,075,000
Add: Equity shares issued during the year	-	-
Equity shares at the end of the year	<b>101,075,000</b>	101,075,000

(iv) The Company is authorized to issue up to seven crore ninty two lakh Restricted Stock units (RSUs) to eligible employees under the Company's restricted stock unit plans. The RSUs vest on different dates over a period of five years from the date of grant of RSUs as per the respective schemes and upon vesting, the employees are entitled to one equity share of the Company at par for every RSU. As on March 31, 2021 RSUs in force total to five crore forty four lakh eighty five thousand (previous year five crore forty four lakh eighty five thousand).

(v) 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.

**Reliance Brands Limited**  
**Statement of Changes in Equity for the year ended 31st March, 2021**

		₹ crore	
12 Other Equity		As at 31st March, 2021	As at 31st March, 2020
<b>Instruments Classified as Equity</b>			
<b>(Zero Coupon Optionally Fully Convertible</b>			
<b>Debentures of ₹ 10 each, fully paid up)</b>			
As per last Balance Sheet		5 42.00	5 42.00
<b>Retained Earnings</b>			
As per last Balance Sheet	(6 16.90)		(4 40.22)
Add: Profit/ (loss) for the year	<u>(2 11.20)</u>		<u>(1 76.68)</u>
		<b>(8 28.10)</b>	<b>(6 16.90)</b>
<b>Other Comprehensive Income (OCI)</b>			
As per last Balance Sheet	2.06		1.84
Add: Movement in OCI (Net) during the year	<u>0.40</u>		<u>0.22</u>
		<b>2.46</b>	<b>2.06</b>
<b>Total</b>		<u><b>(2 83.64)</b></u>	<u><b>( 72.84)</b></u>

12.1 In view of the loss for the year, the company has not created the Debenture Redemption Reserve for a cumulative amount of ₹ 17.80 crore in terms of section 71(4) of the Companies Act, 2013. The Company shall create the Debenture Redemption Reserve out of profits, if any, in the future years.

**Reliance Brands Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2021**

<b>13 Borrowings - Non-Current</b>	<b>As at</b>	<b>₹ crore</b>
	<b>31st March, 2021</b>	<b>As at</b>
		<b>31st March, 2020</b>
<b>Unsecured - At Amortised Cost</b>		
Loans and advances from related parties [Refer Note 32(ii)]	<b>26 06.86</b>	22 35.45
<b>Total</b>	<b><u>26 06.86</u></b>	<b><u>22 35.45</u></b>

**Reliance Brands Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2021**

<b>14 Other Financial Liabilities - Non-Current</b>	<b>As at 31st March, 2021</b>	<b>₹ crore As at 31st March, 2020</b>
Lease Liabilities	<b>4 77.14</b>	4 46.75
<b>Total</b>	<b><u>4 77.14</u></b>	<b><u>4 46.75</u></b>

**Reliance Brands Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2021**

	<b>As at</b>	₹ crore
<b>15 Provisions - Non-Current</b>	<b>31st March, 2021</b>	As at 31st March, 2020
Provision for employee benefits (Refer note 22.1) <sup>(i)</sup>	<b>10.94</b>	10.06
<b>Total</b>	<b><u>10.94</u></b>	<b><u>10.06</u></b>

<sup>(i)</sup> The provision for employee benefits includes gratuity, annual leave and vested long service leave entitlement accrued and compensation claims made by employees.

**Reliance Brands Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2021**

<b>16 Trade Payables</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>	₹ crore
Micro and Small Enterprises	1.41	1.58	
Others	<u>1 45.05</u>	<u>1 94.88</u>	
	<b>1 46.46</b>	<b>1 96.46</b>	
<b>Total</b>	<b><u>1 46.46</u></b>	<b><u>1 96.46</u></b>	

16.1 There are no overdue amounts to Micro, Small and Medium Enterprises as at 31st March, 2021.

**Reliance Brands Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2021**

	<b>As at</b>	₹ crore
	<b>31st March, 2021</b>	As at 31st March, 2020
<b>17 Other Financial liabilities - Current</b>		
Interest accrued but not due on Borrowings	<b>0.46</b>	57.28
Creditors for Capital Expenditure	<b>19.62</b>	16.10
Other Payables <sup>(i)</sup>	<b>2.29</b>	3.52
Lease Liabilities - Current	<b>1 08.84</b>	96.45
<b>Total</b>	<b><u>1 31.21</u></b>	<b><u>1 73.35</u></b>

(i) Includes security deposits received & financial liability at fair value.



**Reliance Brands Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2021**

	<b>As at</b>	₹ crore
<b>18 Other Current Liabilities</b>	<b>31st March, 2021</b>	As at 31st March, 2020
Revenue received in advance	<b>1.57</b>	2.48
Others <sup>(i)</sup>	<b>33.33</b>	31.85
<b>Total</b>	<b><u>34.90</u></b>	<b><u>34.33</u></b>

<sup>(i)</sup> Includes statutory dues and advances from customers.

**Reliance Brands Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2021**

	<b>As at</b>	₹ crore
<b>19 Provisions - Current</b>	<b>31st March, 2021</b>	As at 31st March, 2020
Provision for employee benefits (Refer note 22.1) <sup>(i)</sup>	<b>1.74</b>	0.21
<b>Total</b>	<b><u>1.74</u></b>	<b><u>0.21</u></b>

- (i) The provision for employee benefits includes gratuity, annual leave and vested long service leave entitlement accrued and compensation claims made by employees.

**Reliance Brands Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2021**

	2020-21		₹ crore 2019-20
<b>20 Other Income</b>			
<b>Interest</b>			
Bank Deposits	0.35		0.18
Debt Instruments	7.55		9.56
Others	<u>0.57</u>		<u>0.25</u>
		<b>8.47</b>	9.99
<b>Dividend income</b>		<b>3.54</b>	11.35
<b>Other non-operating income</b>		<b>90.80</b>	-
<b>Gain on Financial Assets</b>			
Realised Gain	-		0.01
Unrealised Gain	<u>-</u>		<u>-</u>
		-	0.01
<b>Total</b>		<u><b>1 02.81</b></u>	<u><b>21.35</b></u>

Above other income comprises of assets measured at cost / amortised cost ₹ 12.01 crore (previous year ₹ 21.34 crore) and fair value through Profit and Loss nil (previous year ₹ 0.01 crore) and other non operating income ₹ 90.80 crore (previous year nil)

**Reliance Brands Limited****Notes to the Financial Statements for the year ended 31st March, 2021**

		₹ crore
	2020-21	2019-20
<b>21 Changes in Inventories of Stock-in-Trade</b>		
<b>Inventories (at close)</b>		
Stock-in-trade	<b>3 52.84</b>	3 79.39
<b>Inventories (at commencement)</b>		
Stock-in-trade	<b>3 79.39</b>	3 09.36
<b>Total</b>	<b><u>26.55</u></b>	<b><u>( 70.03)</u></b>

**Reliance Brands Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2021**

	₹ crore	
<b>22 Employee Benefits Expense</b>	<b>2020-21</b>	<b>2019-20</b>
Salaries and wages	<b>1 15.97</b>	1 47.97
Contribution to provident fund and other funds	<b>8.18</b>	9.10
Staff welfare expenses	<b>6.92</b>	15.73
<b>Total</b>	<b><u>1 31.07</u></b>	<b><u>1 72.80</u></b>

**22.1** As per Ind AS 19 "Employee benefits", the disclosures as defined are given below :

**Defined Contribution Plan**

	₹ crore	
Contribution to defined contribution plan, recognised as expenses for the year is as under:	<b>2020-21</b>	<b>2019-20</b>
Employer's contribution to Provident Fund	<b>1.98</b>	1.76
Employer's contribution to Pension Scheme	<b>2.94</b>	2.92

**Defined Benefit Plan**

**I. Reconciliation of opening and closing balances of defined benefit obligation** ₹ crore

<b>Particulars</b>	<b>Gratuity (unfunded)</b>	
	<b>2020-21</b>	<b>2019-20</b>
Defined benefit obligation at beginning of the year	<b>6.98</b>	5.53
Current service cost	<b>1.86</b>	1.70
Interest cost	<b>0.48</b>	0.44
Actuarial (gain)/ loss	<b>( 0.40)</b>	( 0.22)
Benefits paid	<b>( 0.32)</b>	( 0.47)
Defined benefit obligation at year end	<b>8.60</b>	6.98

**II. Reconciliation of fair value of assets and obligations**

	<b>Gratuity (unfunded)</b>	
	<b>2020-21</b>	<b>2019-20</b>
Fair value of plan assets	-	-
Present value of obligation	<b>8.60</b>	6.98
Amount recognised in Balance Sheet (Deficit)	<b>8.60</b>	6.98

**Reliance Brands Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2021**

III. Expenses recognised during the year	₹ crore	
	<b>Gratuity (unfunded)</b>	
	<b>2020-21</b>	2019-20
Current service cost	1.86	1.70
Interest cost	0.48	0.44
Actuarial (gain)/ loss recognised in the year	-	-
Net benefit expense/ (income)	2.34	2.14
<b>In Other Comprehensive Income</b>		
Actuarial (gain / Loss)	( 0.40)	( 0.22)
<b>Net (Income)/ Expense For the period Recognised in OCI</b>	<b>( 0.40)</b>	<b>( 0.22)</b>

**IV. Actuarial assumptions**

	<b>Gratuity (unfunded)</b>	
	<b>2020-21</b>	2019-20
	<b>2012-14</b>	2012-14
	<b>(Ultimate)</b>	(Ultimate)
Mortality Table (IALM)		
Discount rate (per annum)	6.95%	6.84%
Rate of escalation in salary (per annum)	6.00%	6.00%
Rate of employee turnover (per annum)	2.00%	2.00%

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

**V.** The expected contributions for Defined Benefit Plan for the next financial year will be in line with Financial year 2020-21.

**VI. Sensitivity Analysis**

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

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	<b>Decrease</b>	<b>Increase</b>	Decrease	Increase
Change in discounting rate ( delta effect of +/- 0.5%)	0.53	0.59	0.53	0.59
Change in rate of salary increase( delta effect of +/- 0.5%)	0.54	0.59	0.53	0.59
Change in rate of employee turnover ( delta effect of +/- 0.5%)	0.02	0.02	0.01	0.01

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

Interest risk	A decrease in the bond interest rate will increase the plan liability;
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**Reliance Brands Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2021**

		₹ crore
<b>23 Finance Costs</b>	<b>2020-21</b>	<b>2019-20</b>
Interest Expenses	<b>1 82.94</b>	1 60.60
Lease	<b>47.01</b>	49.31
<b>Total</b>	<b><u>2 29.95</u></b>	<b><u>2 09.91</u></b>

**Reliance Brands Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2021**

	<b>2020-21</b>		₹ crore
<b>24 Other Expenses</b>			<b>2019-20</b>
<b>Selling and Distribution Expenses</b>			
Sales promotion and advertisement expenses	<b>20.81</b>		26.51
Store running expenses	<b>10.36</b>		22.19
Royalty	<b>16.60</b>		27.07
Commission	<b>6.76</b>		3.51
Warehousing and distribution expenses	<b>20.21</b>		25.72
		<b>74.74</b>	1 05.00
<b>Establishment Expenses</b>			
Stores and packing materials	<b>4.97</b>		9.25
Building repairs and maintenance	<b>5.55</b>		9.62
Other repairs	<b>0.68</b>		2.52
Rent including lease rentals	<b>38.99</b>		30.88
Insurance	<b>3.98</b>		3.65
Rates and taxes	<b>1.39</b>		2.45
Travelling and conveyance expenses	<b>2.47</b>		10.89
Professional fees	<b>6.97</b>		25.79
Loss on sale/ discarding of assets (net)	<b>18.83</b>		4.87
Exchange differences (net)	<b>( 18.08)</b>		( 24.16)
Security expenses	<b>6.12</b>		12.55
Electricity expenses	<b>16.20</b>		23.11
Hire charges	<b>4.95</b>		8.08
Bad debts written off	<b>-</b>		0.01
General expenses	<b>9.00</b>		8.80
		<b>1 02.02</b>	1 28.31
<b>Payments to Auditor</b>			
Statutory Audit Fees	<b>0.07</b>		0.06
		<b>0.07</b>	0.06
<b>Total</b>		<b>1 76.83</b>	<b>2 33.37</b>



**Reliance Brands Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2021**

25. Taxation	As at 31st March, 2021	₹ crore As at 31st March, 2020
<b>Income tax Recognised in Statement of profit and loss</b>	<b>( 60.19)</b>	<b>( 29.85)</b>
<b>Current Tax</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax</b>	<b>( 60.19)</b>	<b>( 29.85)</b>
<b>Total Income Tax expenses recognised in the Current Year</b>	<b>( 60.19)</b>	<b>( 29.85)</b>
The income tax expenses for the year can be reconciled to the accounting profit as follows:		
Profit / (Loss) before tax	<b>(2 71.39)</b>	<b>(2 06.53)</b>
Applicable tax rate	<b>25.170%</b>	<b>25.170%</b>
Computed tax expenses	<b>( 68.31)</b>	<b>( 51.98)</b>
<b>Tax Effect of:</b>		
Carry forward losses	<b>56.75</b>	<b>49.50</b>
Expenses disallowed	<b>62.33</b>	<b>55.81</b>
Additional allowances	<b>( 50.77)</b>	<b>( 53.33)</b>
<b>Current Tax Provision (A)</b>	<b>-</b>	<b>-</b>
Incremental Deferred Tax Liability on account of Property, Plant and Equipment	<b>( 11.14)</b>	<b>1.25</b>
Incremental Deferred Tax Liability on account of Financial Assets & Other items	<b>( 49.05)</b>	<b>( 31.10)</b>
<b>Deferred Tax Provision (B)</b>	<b>( 60.19)</b>	<b>( 29.85)</b>
<b>Tax Expenses recognised in Statement of Profit and Loss (A+B)</b>	<b>( 60.19)</b>	<b>( 29.85)</b>
<b>Effective Tax Rate</b>	<b>22.18%</b>	<b>14.45%</b>

## Reliance Brands Limited

### Notes to the Financial Statements for the year ended 31st March, 2021

**26** The Company is mainly engaged in 'Organised Retail' primarily catering to Indian consumers in various consumptions 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.

#### 27 Earnings per share (EPS)

	2020-21	2019-20
<b>Face Value per Equity Share (₹)</b>	<b>10.00</b>	10.00
<b>Basic / Diluted Earnings per Share (₹) *</b>	<b>( 20.90)</b>	( 17.48)
Net profit/ (loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ crore)	<b>(2 11.20)</b>	(1 76.68)
Weighted average number of equity shares used as denominator for calculating Basic / Diluted EPS	<b>101,075,000</b>	101,075,000

\*Diluted EPS is same as basic EPS, being antidilutive

#### 28 Commitments and Contingent Liabilities

	As at 31st March, 2021	₹ crore As at 31st March, 2020
<b>a Contingent Liabilities:</b>		
Outstanding guarantees furnished to banks including in respect of letters of credit		
In respect of others	<b>13.50</b>	13.95
<b>b Commitments:</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for		
(i) In respect of joint ventures	<b>1.66</b>	1.62
(ii) In respect of others	<b>9.36</b>	10.14

## Reliance Brands Limited

### Notes to the Financial Statements for the year ended 31st March, 2021

#### 29 Capital Management

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

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

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

The Company includes within net debt, interest bearing loans and borrowings, less cash & cash equivalents.

#### Net Gearing Ratio

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

	As at 31st March, 2021	₹ crore As at 31st March, 2020
Gross Debt	26 06.86	22 35.45
Cash and Marketable Securities	13.68	8.23
<b>Net Debt (A)</b>	<b>25 93.18</b>	<b>22 27.22</b>
<b>Total Equity (As per Balance Sheet) (B)</b>	<b>(1 82.56)</b>	<b>28.24</b>
<b>Net Gearing ratio (A/B)</b>	<b>-</b>	<b>78.87</b>

Cash & Marketable Securities represents cash and equivalents of ₹ 13.68 crore (Previous Year ₹ 8.23 crore)

#### 30 Financial Instruments

##### Valuation Methodology

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

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

##### Fair value measurement hierarchy:

Particulars	Carrying Amount	31st March, 2021			Carrying Amount	31st March, 2020		
		Level of input used in				Level of input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial Assets</b>								
<b>At Amortised Cost</b>								
Loans	1 03.94	-	-	-	4 03.23	-	-	-
Trade Receivables	1 00.63	-	-	-	1 32.55	-	-	-
Cash and Cash Equivalents	13.68	-	-	-	8.23	-	-	-
Other Financial Assets	87.07	-	-	-	53.98	-	-	-
<b>At FVTPL</b>								
Investments	-	-	-	-	-	-	-	-
Financial Derivatives	0.05	-	0.05	-	-	-	-	-
<b>At FVTOCI</b>								
Investments	13.50	-	-	13.50	13.50	-	-	13.50

**Reliance Brands Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2021**

**Financial Liabilities**

**At Amortised Cost**

Borrowings	26 06.86	-	-	-	22 35.45	-	-	-
Trade Payables	1 46.46	-	-	-	1 96.46	-	-	-
Other Financial Liabilities	6 08.35	-	-	-	6 20.10	-	-	-

**At FVTPL**

Financial Derivatives	-	-	-	-	-	-	-	-
-----------------------	---	---	---	---	---	---	---	---

Exclude Group Company investments ₹ 14 02.20 crore (₹ 10 34.95 crore) measured at cost (Refer Note 2.1).

**Reconciliation of fair value measurement of the investment categorised at level 3:**

Particulars	₹ crore	
	31st March, 2021 At FVTOCI	31st March, 2020 At FVTOCI
Opening Balance	13.50	11.50
Addition during the year	-	2.00
<b>Closing Balance</b>	<b>13.50</b>	<b>13.50</b>

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

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

Level 3: Inputs are based on unobservable market data.

**Foreign Currency Risk**

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

i) **Foreign Currency Exposure**

	As at 31st March, 2021					As at 31st March, 2020				
	EUR	GBP	AED	HKD	USD	EUR	GBP	AUD	HKD	USD
Trade and other Payables	1.32	6.90	0.00	0.36	10.73	2.52	11.80	-	0.12	11.54
<b>Derivatives</b>										
Forwards	(0.86)	(5.04)	-	-	(2.12)	-	-	-	-	-
<b>Exposure</b>	<b>0.46</b>	<b>1.86</b>	<b>0.00</b>	<b>0.36</b>	<b>8.61</b>	<b>2.52</b>	<b>11.80</b>	<b>-</b>	<b>0.12</b>	<b>11.54</b>

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

ii) **Foreign Currency Sensitivity**

1% Depreciation in INR	As at 31st March, 2021					As at 31st March, 2020				
	EUR	GBP	AED	HKD	USD	EUR	GBP	AUD	HKD	USD
Impact on P&L	0.00	(0.02)	0.00	0.00	(0.09)	(0.03)	(0.12)	-	0.00	(0.12)
<b>Total</b>	<b>0.00</b>	<b>(0.02)</b>	<b>0.00</b>	<b>0.00</b>	<b>(0.09)</b>	<b>(0.03)</b>	<b>(0.12)</b>	<b>-</b>	<b>0.00</b>	<b>(0.12)</b>

  

1% Appreciation in INR	As at 31st March, 2021					As at 31st March, 2020				
	EUR	GBP	AED	HKD	USD	EUR	GBP	AUD	HKD	USD
Impact on P&L	-	0.02	0.00	0.00	0.09	0.03	0.12	-	0.00	0.12
<b>Total</b>	<b>0.00</b>	<b>0.02</b>	<b>0.00</b>	<b>0.00</b>	<b>0.09</b>	<b>0.03</b>	<b>0.12</b>	<b>-</b>	<b>0.00</b>	<b>0.12</b>

**Reliance Brands Limited**  
**Notes to the Financial Statements for the year ended 31st March, 2021**

**Interest Rate Risk**

There is no Interest rate risk as all the borrowings are at fixed rate of interest.

**Credit Risk**

Credit risk is the risk that a customer will fail to pay amounts due causing financial loss to the company.

It arises from cash and cash equivalents, 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.

₹ crore

Particulars	<b>Maturity Profile as at 31st March, 2021</b>						Grand Total
	Below 3 month	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	
<b>Borrowings</b>							
Non-Current	-	-	-	-	26 06.86	-	26 06.86
Current	-	-	-	-	-	-	-
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26 06.86</u>	<u>-</u>	<u>26 06.86</u>
<b>Derivatives Liabilities</b>							
Forwards	-	-	-	-	-	-	-
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Lease Liabilities</b>	38.74	37.82	72.43	229.58	159.70	210.93	7 49.20
Particulars	<b>Maturity Profile as at 31st March, 2020</b>						Grand Total
	Below 3 month	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	
<b>Borrowings</b>							
Non-Current	-	-	-	-	22 35.45	-	22 35.45
Current	-	-	-	-	-	-	-
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22 35.45</u>	<u>-</u>	<u>22 35.45</u>
<b>Lease Liabilities</b>	34.06	35.50	70.01	331.77	129.11	164.98	7 65.43

## Reliance Brands Limited

### Notes to the Financial Statements for the year ended 31st March, 2021

#### 31 Details of loan given, investment made and guarantee given covered u/s 186(4) of the Companies Act, 2013

- i) Loan given by the company to body corporate as at 31st March 2021 (Refer Note 3)
- ii) Investments made by the company as at 31st March 2021 (Refer Note 2)

#### 32 Related Parties Disclosures

As per Ind AS 24, the disclosures of transactions with the Related Parties are given below:

- (i) List of Related Parties where control exists and also Related Parties with whom transactions have taken place and relationships:

Sr No	Name of the Related Parties	Relationship	
1	Reliance Industries Limited	} Ultimate Holding Company	
2	Reliance Retail Ventures Limited	} Holding Company	
3	Reliance Brands Holding UK Limited	} Subsidiary Companies	
4	Hamleys (Franchising) Limited		
5	Reliance Retail Limited	}	
6	Reliance SMSL Limited	}	
7	Digital18 Media Limited	}	
8	Reliance Petro Marketing Limited	}	
9	Reliance Corporate IT Park Limited	}	
10	Reliance Industrial Investments and Holdings Limited	}	
11	Reliance Jio Infocomm Limited	}	
12	Viacom 18 Media Private Limited	}	
13	Reliance Clothing India Private Limited	} Fellow Subsidiaries	
14	Reliance Progressive Traders Private Limited		
15	Genesis La Mode Private Limited		
16	GLF Lifestyle Brands Private Limited		
17	GML India Fashion Private Limited		
18	Reliance Projects & Property Management Services Limited		
19	Reliance Ambit Trade Private Limited		
20	Reliance Eminent Trading & Commercial Private Limited		
21	Reliance Prolific Commercial Private Limited		
22	Shopsense Retail Technologies Private Limited		
23	The Indian Film Combine Private Limited		
24	GLB Body Care Private Limited		
25	Reliance Payment Solutions Limited		
26	Reliance BP Mobility Limited		
27	Mesindus Ventures Private Limited*		
28	Diesel Fashion India Reliance Private Limited		}
29	Reliance Paul & Shark Fashions Private Limited		}
30	Zegna South Asia Private Limited	}	
31	Iconix Lifestyle India Private Limited	} Joint Venture	
32	Brooks Brothers India Private Limited		
33	Ryohin-Keikaku Reliance India Private Limited		
34	Reliance GAS Lifestyle India Private Limited		
35	Reliance Bally India Private Limited		
36	TCO Reliance India Private Limited		
37	Reliance Sideways Private Limited		
38	Reliance Brands Luxury Fashion Private Limited (Formerly Genesis Luxury Fashion Private Limited)	}	
39	Genesis Colors Limited	} Associate	
40	Reliance Lifestyle Products Private Limited (Formerly V&B Lifestyle India Private Limited)*	}	
41	Darshan Mehta	}	
42	Pranav Lodhavia	}	
43	Prerna Poddar*	} Key Managerial Personnel	
44	Sheetal Limaye*		
45	Ravindra Patel		

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

**Reliance Brands Limited****Notes to the Financial Statements for the year ended 31st March, 2021**

(ii) Transactions during the year with Related Parties (excluding reimbursements):									₹ crore
Sr No	Nature of Transactions	Ultimate Holding Company	Holding Company	Subsidiaries	Joint Venture	Fellow Subsidiaries	Associates	Key Managerial Personnel	Total
1	Net unsecured loans taken/ (repaid)	-	26 06.86	-	-	(22 35.45)	-	-	3 71.41
		-	-	-	-	11 84.36	-	-	11 84.36
2	Net Loans and advances given/ (returned)	-	-	20.55	-	-	23.98	-	44.53
		-	-	3 14.84	-	-	18.16	-	3 33.00
3	Conversion of Loan to Investments	-	-	3 35.39	-	-	-	-	3 35.39
		-	-	-	-	-	-	-	-
4	Subscription to / (Redemption) of investments	-	-	28.84	2.47	-	0.55	-	31.86
		-	-	3 08.92	31.13	-	1.59	-	3 41.64
5	Purchase of Property, Plant and Equipment/ project materials	-	-	-	-	1.81	-	-	1.81
		-	-	-	0.01	2.96	-	-	2.97
6	Sale of Property, Plant and Equipment/ project materials	-	-	-	-	0.01	-	-	0.01
		-	-	-	-	0.02	0.02	-	0.04
7	Revenue from operations	3.89	-	3.11	25.27	1 28.03	13.04	-	1 73.34
		0.27	-	17.54	27.86	62.94	12.77	-	1 21.38
8	Other Income	-	-	5.00	-	-	2.55	-	7.55
		-	-	5.60	-	-	1.46	-	7.06
9	Dividend Income	-	-	-	3.54	-	-	-	3.54
		-	-	-	11.35	-	-	-	11.35
10	Purchases	6.13	-	9.21	12.93	61.11	10.46	-	99.84
		3.74	-	2.45	3.15	18.47	4.22	-	32.03
11	Staff welfare expenses	-	-	-	-	-	-	-	-
		-	-	-	0.05	-	-	-	0.05
12	Professional fees	0.07	-	0.82	-	1.43	-	-	2.32
		0.33	-	-	-	1.64	-	-	1.97
13	Warehousing and distribution expenses	-	9.14	-	-	0.02	-	-	9.16
		-	-	-	-	5.55	-	-	5.55
14	Store running expenses	-	-	-	-	6.52	-	-	6.52
		-	-	-	-	13.75	-	-	13.75
15	Building repairs and maintenance	-	-	-	-	0.45	-	-	0.45
		-	-	-	-	-	-	-	-
16	Interest cost	-	0.50	-	-	1 82.44	-	-	1 82.94
		-	-	-	-	1 60.60	-	-	1 60.60
17	Electricity expenses	-	-	-	-	0.54	-	-	0.54
		0.03	-	-	-	1.52	-	-	1.55
18	Rent	-	-	-	-	0.37	-	-	0.37
		-	-	-	-	0.83	-	-	0.83
19	Royalty	-	-	6.09	-	-	-	-	6.09
		-	-	4.94	-	-	-	-	4.94
20	Sales promotion and advertisement expenses	-	-	-	0.12	0.46	0.18	-	0.76
		-	-	-	-	0.21	-	-	0.21
21	General expenses	-	-	-	-	0.75	-	-	0.75
		-	-	-	-	0.09	-	-	0.09
22	Commission	-	-	-	-	2.80	-	-	2.80
		-	-	-	-	1.17	-	-	1.17
23	Payment to Key Managerial Personnel	-	-	-	-	-	-	5.44	5.44
		-	-	-	-	-	-	5.91	5.91

## Reliance Brands Limited

### Notes to the Financial Statements for the year ended 31st March, 2021

Balance as at 31st March, 2021

Sr No	Nature of Transactions	Ultimate Holding Company	Holding Company	Subsidiaries	Joint Venture	Fellow Subsidiaries	Associates	Key Managerial Personnel	Total
24	Share capital	-	<b>80.86</b>	-	-	-	-	-	<b>80.86</b>
		-	80.86	-	-	-	-	-	80.86
25	Borrowings - Non-Current	-	<b>26 06.86</b>	-	-	-	-	-	<b>26 06.86</b>
		-	-	-	-	22 35.45	-	-	22 35.45
26	Zero Coupon Optionally Fully Convertible Debenture	-	<b>5 42.00</b>	-	-	-	-	-	<b>5 42.00</b>
		-	5 42.00	-	-	-	-	-	5 42.00
27	Investments - Non-Current	-	-	<b>6 73.15</b>	<b>2 51.68</b>	-	<b>4 77.37</b>	-	<b>14 02.20</b>
		-	-	3 08.92	2 49.21	-	4 76.82	-	10 34.95
28	Loans - Non-Current	-	-	-	-	-	<b>44.47</b>	-	<b>44.47</b>
		-	-	3 14.84	-	-	20.49	-	3 35.33
29	Trade and other receivables	<b>0.04</b>	-	-	<b>4.69</b>	<b>23.72</b>	<b>0.87</b>	-	<b>29.32</b>
		0.00	-	-	6.87	42.64	9.71	-	59.22
30	Deposits	-	-	-	-	<b>7.86</b>	-	-	<b>7.86</b>
		-	-	-	-	3.24	-	-	3.24
31	Other Financial Assets	-	-	<b>13.77</b>	-	-	<b>0.05</b>	-	<b>13.82</b>
		-	-	8.09	-	-	0.15	-	8.24
32	Advance to Vendors	-	-	-	-	-	-	-	-
		-	-	-	0.03	0.05	0.28	-	0.36
33	Advance from customers	-	-	-	-	-	-	-	-
		-	-	1.06	-	-	-	-	1.06
34	Other Financial Liabilities	-	<b>0.46</b>	-	-	-	-	-	<b>0.46</b>
		-	-	-	-	57.28	-	-	57.28
35	Trade and other payables	<b>1.70</b>	-	<b>2.58</b>	<b>5.18</b>	<b>16.18</b>	<b>1.14</b>	-	<b>26.78</b>
		1.48	-	0.36	4.11	21.93	3.15	-	31.03
36	Guarantees	-	-	-	-	<b>7.94</b>	-	-	<b>7.94</b>
		-	-	-	-	13.95	-	-	13.95

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

#### (iii) Disclosure in respect of major Related Party transactions during the year:

₹ crore

Particulars	Relationship	2020-21	2019-20
<b>1 Net unsecured loans taken/ (repaid)</b>			
Reliance Retail Ventures Limited	Holding Company	<b>26 06.86</b>	-
Reliance Retail Limited	Fellow Subsidiary	<b>(22 35.45)</b>	11 84.36
<b>2 Net Loans and advances given/ (returned)</b>			
Reliance Brands Holding UK Limited	Subsidiary	<b>20.55</b>	3 14.84
Reliance Brands Luxury Fashion Private Limited (Formerly Genesis Luxury Fashion Private Limited)	Associate	<b>3.83</b>	19.49
Genesis Colors Limited	Associate	<b>20.15</b>	( 1.33)
<b>3 Conversion of Loan to Investments</b>			
Reliance Brands Holding UK Limited	Subsidiary	<b>3 35.39</b>	-
<b>4 Subscription to / (Rdemption) of investments</b>			
Reliance Brands Holding UK Limited	Subsidiary	<b>28.84</b>	3 08.92
Ryohin-Keikaku Reliance India Private Limited	Joint Venture	<b>1.47</b>	8.33
Reliance Paul & Shark Fashions Private Limited	Joint Venture	<b>1.00</b>	1.25
Reliance GAS Lifestyle India Private Limited	Joint Venture	-	( 1.03)
Zegna South Asia Private Limited	Joint Venture	-	2.70
Diesel Fashion India Reliance Private Limited	Joint Venture	-	4.90
Reliance Bally India Private Limited	Joint Venture	-	1.25
Reliance Sideways Private Limited	Joint Venture	-	0.01
TCO Reliance India Private Limited	Joint Venture	-	13.72
Reliance Lifestyle Products Private Limited (Formerly V&B Lifestyle India Private Limited)*	Associate	<b>0.07</b>	-
Reliance Brands Luxury Fashion Private Limited (Formerly Genesis Luxury Fashion Private Limited)	Associate	<b>0.48</b>	1.59



## Reliance Brands Limited

### Notes to the Financial Statements for the year ended 31st March, 2021

(iii) Disclosure in respect of major Related Party transactions during the year:			₹ crore
Particulars	Relationship	2020-21	2019-20
<b>5 Purchase of Property, Plant and Equipment / project materials</b>			
Reliance Retail Limited	Fellow Subsidiary	1.81	2.96
Ryohin-Keikaku Reliance India Private Limited	Joint Venture	-	0.01
<b>6 Sale of Property, Plant and Equipment / project materials</b>			
Reliance Retail Limited	Fellow Subsidiary	0.01	-
GLF Lifestyle Brands Private Limited	Fellow Subsidiary	-	0.02
Reliance Brands Luxury Fashion Private Limited (Formerly Genesis Luxury Fashion Private Limited)	Associate	-	0.02
<b>7 Revenue from operations</b>			
Reliance Industries Limited	Ultimate Holding Company	3.89	0.27
Reliance Brands Holding UK Limited	Subsidiary	3.11	17.54
Reliance GAS Lifestyle India Private Limited	Joint Venture	3.78	4.47
Zegna South Asia Private Limited	Joint Venture	1.74	1.54
Diesel Fashion India Reliance Private Limited	Joint Venture	5.53	5.69
Reliance Paul & Shark Fashions Private Limited	Joint Venture	0.67	0.99
Brooks Brothers India Private Limited	Joint Venture	3.91	3.69
Iconix Lifestyle India Private Limited	Joint Venture	3.30	3.11
Ryohin-Keikaku Reliance India Private Limited	Joint Venture	2.31	1.92
Reliance Bally India Private Limited	Joint Venture	1.44	1.82
TCO Reliance India Private Limited	Joint Venture	2.59	4.63
Reliance Retail Limited	Fellow Subsidiary	11.62	61.07
Genesis La Mode Private Limited	Fellow Subsidiary	8.90	0.68
GLF Lifestyle Brands Private Limited	Fellow Subsidiary	4.66	0.94
GML India Fashion Private Limited	Fellow Subsidiary	2.52	0.11
Reliance Corporate IT Park Limited	Fellow Subsidiary	0.07	0.07
GLB Body Care Private Limited	Fellow Subsidiary	0.25	0.07
The Indian Film Combine Private Limited	Fellow Subsidiary	0.01	-
Genesis Colors Limited	Associate	0.30	0.34
Reliance Brands Luxury Fashion Private Limited (Formerly Genesis Luxury Fashion Private Limited)	Associate	12.49	12.43
Reliance Lifestyle Products Private Limited (Formerly V&B Lifestyle India Private Limited)*	Associate	0.25	-
<b>8 Other Income</b>			
Reliance Brands Holding UK Limited	Subsidiary	5.00	5.60
Reliance Brands Luxury Fashion Private Limited (Formerly Genesis Luxury Fashion Private Limited)	Associate	1.88	1.24
Genesis Colors Limited	Associate	0.67	0.22
<b>9 Dividend Income</b>			
Iconix Lifestyle India Private Limited	Joint Venture	3.54	11.35
<b>10 Purchases</b>			
Reliance Industries Limited	Ultimate Holding Company	6.13	3.74
Hamleys (Franchising) Limited	Subsidiary	9.21	2.45
Diesel Fashion India Reliance Private Limited	Joint Venture	3.70	0.22
Brooks Brothers India Private Limited	Joint Venture	2.63	1.37
Reliance Paul & Shark Fashions Private Limited	Joint Venture	2.39	0.17
Reliance Bally India Private Limited	Joint Venture	1.22	0.28
Reliance GAS Lifestyle India Private Limited	Joint Venture	1.82	1.11
Zegna South Asia Private Limited	Joint Venture	1.17	-
Reliance Retail Limited	Fellow Subsidiary	31.40	21.47
Reliance SMSL Limited	Fellow Subsidiary	-	0.55
Genesis La Mode Private Limited	Fellow Subsidiary	13.21	1.49
GML India Fashion Private Limited	Fellow Subsidiary	7.19	0.36
GLF Lifestyle Brands Private Limited	Fellow Subsidiary	9.46	(5.39)
Mesindus Ventures Private Limited*	Fellow Subsidiary	0.20	-
Shopsense Retail Technologies Private Limited	Fellow Subsidiary	(0.41)	-
Viacom 18 Media Private Limited	Fellow Subsidiary	0.06	-
Genesis Colors Limited	Associate	0.44	(0.29)
Reliance Brands Luxury Fashion Private Limited (Formerly Genesis Luxury Fashion Private Limited)	Associate	9.69	4.50
Reliance Lifestyle Products Private Limited (Formerly V&B Lifestyle India Private Limited)*	Associate	0.33	-
<b>11 Staff welfare expenses</b>			
Reliance GAS Lifestyle India Private Limited	Joint Venture	-	0.05
Zegna South Asia Private Limited	Joint Venture	0.00	-
(Current Year ₹ 40 000)			

**Reliance Brands Limited****Notes to the Financial Statements for the year ended 31st March, 2021**

(iii) Disclosure in respect of major related party transactions during the year:			₹ crore
Particulars	Relationship	2020-21	2019-20
<b>12 Professional fees</b>			
Reliance Industries Limited	Ultimate Holding Company	0.07	0.33
Hamleys (Franchising) Limited	Subsidiary	0.82	-
Reliance Projects & Property Management Services Limited	Fellow Subsidiary	0.29	0.57
Reliance Retail Limited	Fellow Subsidiary	1.14	0.94
Reliance Corporate IT Park Limited	Fellow Subsidiary	-	0.13
<b>13 Warehousing and distribution expenses</b>			
Reliance Retail Ventures Limited	Holding Company	9.14	-
Reliance Retail Limited	Fellow Subsidiary	0.02	5.55
<b>14 Store running expenses</b>			
Reliance SMSL Limited	Fellow Subsidiary	6.52	13.75
<b>15 Building repairs and maintenance</b>			
Reliance Retail Limited	Fellow Subsidiary	0.45	-
<b>16 Interest cost</b>			
Reliance Retail Limited	Fellow Subsidiary	1 82.44	1 60.60
Reliance Retail Ventures Limited	Holding Company	0.50	-
<b>17 Electricity expenses</b>			
Reliance Industries Limited	Ultimate Holding Company	-	0.03
Reliance Corporate IT Park Limited	Fellow Subsidiary	-	0.27
Reliance Progressive Traders Private Limited	Fellow Subsidiary	0.03	0.13
Reliance Projects & Property Management Services Limited	Fellow Subsidiary	0.04	0.03
Reliance Ambit Trade Private Limited	Fellow Subsidiary	0.16	0.48
Reliance Eminent Trading & Commercial Private Limited	Fellow Subsidiary	0.09	0.28
Reliance Prolific Commercial Private Limited	Fellow Subsidiary	0.21	0.33
Reliance BP Mobility Limited	Fellow Subsidiary	0.01	-
<b>18 Rent</b>			
Reliance Ambit Trade Private Limited	Fellow Subsidiary	0.28	0.49
Reliance Eminent Trading & Commercial Private Limited	Fellow Subsidiary	0.05	0.16
Reliance Prolific Commercial Private Limited	Fellow Subsidiary	0.03	0.09
Reliance Progressive Traders Private Limited (Current Year ₹ 25 355)	Fellow Subsidiary	0.00	0.03
Reliance Corporate IT Park Limited	Fellow Subsidiary	-	0.04
Reliance Projects & Property Management Services Limited	Fellow Subsidiary	0.01	0.02
<b>19 Royalty</b>			
Hamleys (Franchising) Limited	Subsidiary	6.09	4.94
<b>20 Sales promotion and advertisement expenses</b>			
Ryohin-Keikaku Reliance India Private Limited	Joint Venture	0.01	-
Diesel Fashion India Reliance Private Limited	Joint Venture	0.04	-
Reliance Paul & Shark Fashions Private Limited	Joint Venture	0.07	-
Zegna South Asia Private Limited (Current Year ₹ 25 200)	Joint Venture	0.00	-
Genesis La Mode Private Limited	Fellow Subsidiary	0.21	-
Reliance Retail Limited	Fellow Subsidiary	0.08	0.09
Viacom 18 Media Private Limited	Fellow Subsidiary	0.07	0.12
GML India Fashion Private Limited	Fellow Subsidiary	0.10	-
Reliance Brands Luxury Fashion Private Limited (Formerly Genesis Luxury Fashion Private Limited)	Associate	0.18	-
<b>21 General expenses</b>			
Reliance Jio Infocomm Limited	Fellow Subsidiary	0.75	0.09
<b>22 Commission</b>			
Shopsense Retail Technologies Private Limited	Fellow Subsidiary	2.80	1.17

**Reliance Brands Limited****Notes to the Financial Statements for the year ended 31st March, 2021**

(iii) Disclosure in respect of major related party transactions during the year:		₹ crore	
Particulars	Relationship	2020-21	2019-20
<b>23 Payment to Key Managerial Personnel</b>			
Darshan Mehta	Key Managerial Personnel	<b>4.89</b>	4.88
Pranav Lodhavia	Key Managerial Personnel	<b>0.47</b>	0.74
Prerna Poddar	Key Managerial Personnel	<b>0.06</b>	-
Sheetal Limaye*	Key Managerial Personnel	<b>0.02</b>	-
Ravindra Patel	Key Managerial Personnel	-	0.29

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

32.1 Compensation of Key Managerial Personnel		₹ crore	
		2020-21	2019-20
i	Short-term benefits	<b>5.23</b>	5.78
ii	Post employment benefits	<b>0.21</b>	0.13
	<b>Total</b>	<b>5.44</b>	5.91

**Reliance Brands Limited****Notes to the Financial Statements for the year ended 31st March, 2021**

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

**34** The Financial statements were approved for issue by the Board of Directors on 27th April, 2021.

As per our report of even date

**For Rajendra & Co**

Chartered Accountants

Firm's Registration No. 108355W

**K.K. Desai**

Partner

Membership No. 100805

Mumbai

Dated : April 27th, 2021

**For and on behalf of the Board****Darshan Mehta**

Managing Director

(DIN: 00103155)

**V Subramaniam**

Director

(DIN: 00009621)

**Pranav Lodhavia**

Chief Financial Officer

**Purna Poddar**

Company Secretary