# Reliance Petro Marketing Limited

## Financial Statements

## 2019-20

# Independent Auditor's Report

**To the Members of RELIANCE PETRO MARKETING LIMITED**

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

**Opinion**

We have audited the accompanying financial statements of **RELIANCE PETRO MARKETING LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its Profit including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing ("SA") 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the financial statements and our auditor's report thereon.

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 during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 the Management for the Financial Statements**

The Company's Board of Directors is 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 including Other Comprehensive Income, Cash Flows and the Statement Of Changes in Equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and fair 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, management 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 management 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 SAs 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 SAs, we exercise professional judgment and maintain professional skepticism 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 Act, 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 Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
   d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act;
   e) On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting with reference to these Financial Statements;

g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 22 to the financial statements;

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

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

For **Pathak H. D. & Associates LLP**
Chartered Accountants
Firm Registration no. 107783W/W100593

**Ashutosh Jethlia**
**Partner**
Membership No.: 136007

Place : Mumbai
Date : April 21, 2020
UDIN: 20136007AAAADX7403

**"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE PETRO MARKETING LIMITED**

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

i) In respect of its Fixed Assets :

a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.

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

c. According to the information and explanations given to us and the title deeds / lease deeds and other records examined by us, we report that the title deeds / lease deeds in respect of all the immovable properties of lands which are freehold, immovable properties of land that have been taken on lease and disclosed as fixed assets in the financial statement and buildings are held in the Company's name or in the Company's erstwhile name as at the balance sheet date.

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

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

iv) The Company has not directly or indirectly advanced loan to the person or given guarantees or securities in connection with the loan taken by persons covered under Section 185 of the Act. According to the Information and explanation given to us, Company has complied with the provisions of Section 186 of the Act, in respect of Investments, loans, guarantee or security given.

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

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

vii) In respect of Statutory dues :

a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, duty of customs, duty of excise, cess and any other statutory dues as applicable to it have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31, 2020 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, dues of provident fund, employees' state insurance, income tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable to it which have not been deposited as on 31st March, 2020 on account of disputes are given below:

| Sr. No. | Name of the Statute | Nature of the Dues | Amount (₹ in Lakh) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|---|
| 1 | Central Sales Tax Act, 1956 and Sales Tax Acts of various states | Sales Tax/VAT and Entry Tax | 2346.36 | 2004-05, 2005-06 and 2008-09 | High Court |
| | | | 9.89 | 2003-04 and 2004-05 | Commercial Tax Appeal Board |
| | | | 11.64 | 2007-08 and 2008-09 | Supreme Court |
| | | | 7.24 | 2005-06 | Assistant Commissioner Commercial Taxes |
| | | | 2452.67 | 2010-11 | Sales Tax Appellate Tribunal |
| 2 | Income Tax Act, 19661 | Income Tax | 56.85 | 2009-10, 2014-15 and 2015-16 | Assessing Officer |

viii) The Company has not raised any loans from financial institutions or banks or government or debenture holders. Therefore, the clause (viii) of paragraph 3 of the Order is not applicable to the Company.

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

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

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

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

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

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

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

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

For **Pathak H. D. & Associates LLP**
Chartered Accountants
Firm Registration no. 107783W/W100593

**Ashutosh Jethlia**
**Partner**
Membership No.: 136007

Place : Mumbai
Date : April 21, 2020
UDIN: 20136007AAAADX7403

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE PETRO MARKETING LIMITED

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

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

We have audited the internal financial controls over financial reporting of **RELIANCE PETRO MARKETING LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements 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 with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls Over Financial Reporting With Reference To These Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements 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 With Reference To These Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements 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, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2020, 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 ICAI.

For **Pathak H. D. & Associates LLP**
Chartered Accountants
Firm Registration no. 107783W/W100593

**Ashutosh Jethlia**
**Partner**
Membership No.: 136007

Place : Mumbai
Date : April 21, 2020
UDIN: 20136007AAAADX7403

# Balance Sheet as at 31st March 2020

₹ in Lakh

| | Note | As at 31st March 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-Current Assets** | | | | | |
| Property, Plant and Equipment | 1 | **62 44.04** | | 61 45.15 | |
| Capital Work in Progress | 1 | **2 92.92** | | - | |
| Other Non-Current Assets | 2 | **14 45.29** | | 14 56.00 | |
| **Total Non-Current Assets** | | | **79 82.25** | | 76 01.15 |
| **Current Assets** | | | | | |
| Inventories | 3 | **221 73.94** | | 184 60.38 | |
| Financial Assets | | | | | |
| Investments | 4 | **233 13.51** | | 215 38.95 | |
| Trade Receivables | 5 | **269 29.58** | | 305 15.18 | |
| Cash and cash equivalents | 6 | **13 35.36** | | 57 05.07 | |
| Other Current Assets | 7 | **70 33.20** | | 106 84.97 | |
| **Total Current Assets** | | | **807 85.59** | | 869 04.55 |
| **TOTAL ASSETS** | | | **887 67.84** | | 945 05.70 |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Equity Share Capital | 8 | **5.00** | | 5.00 | |
| Other Equity | 9 | **318 02.57** | | 210 03.15 | |
| **Total Equity** | | | **318 07.57** | | 210 08.15 |
| **Non-Current Liabilities** | | | | | |
| Deferred Tax Liability (Net) | 10 | | **8 95.72** | | 12 36.44 |
| **Current Liabilities** | | | | | |
| Financial Liabilities | | | | | |
| Trade Payables due to: | | | | | |
| Micro and Small Enterprises | 11 | **1 33.71** | | 63.78 | |
| Other than Micro and Small Enterprises | 11 | **273 47.91** | | 423 53.17 | |
| Other Financial Liabilites | 12 | **212 80.20** | | 204 39.18 | |
| Other Current Liabilities | 13 | **71 93.50** | | 93 09.77 | |
| Provisions | 14 | **1 09.23** | | 95.21 | |
| **Total Current Liabilities** | | | **560 64.55** | | 722 61.11 |
| **Total Liabilities** | | | **569 60.27** | | 734 97.55 |
| **Total Equity and Liabilities** | | | **887 67.84** | | 945 05.70 |
| **Significant Accounting Policies** | | | | | |
| **See accompanying Notes to the Financial Statements** | 1 to 28 | | | | |

As per our Report of even date
**For Pathak H. D. & Associates LLP**
Chartered Accountants
Firm Registration No.: 107783W / W100593

**Ashutosh Jethlia**
Partner
Membership No.: 136007

Place: Mumbai
Date: 21st April 2020

For and on behalf of the Board

**P. Raghavendran**
Chairman
DIN - 00012218

**C. S. Borar**
Director
DIN - 00043459

**S. K. Bhardwaj**
Director
DIN - 00001584

**Harisha Kumar**
Whole-time-director
DIN - 00367354

**G. K. Fulwadaya**
Director
DIN - 03341926

**C. S. Gokhale**
Director
DIN - 00012666

# Statement of Profit and Loss for the year ended 31st March 2020

₹ in Lakh

| | Note | 2019-20 | 2018-19 |
|---|---|---|---|
| **INCOME** | | | |
| Value of Sales | 15 | **14212 34.59** | 13300 61.76 |
| Income from Services | | **2 27.83** | 2 33.87 |
| Value of Sales & Services | | **14214 62.42** | 13302 95.63 |
| Less : GST Recovered | | **88 33.72** | 93 36.55 |
| Revenue from Operations | | **14126 28.70** | 13209 59.08 |
| Other Income | 16 | **17 68.64** | 25 60.96 |
| **Total Income** | | **14143 97.34** | 13235 20.04 |
| **EXPENSES** | | | |
| Purchases of Stock-in-Trade | | **13708 53.65** | 12800 25.33 |
| Changes in Inventories of Stock-in-Trade | 17 | **(37 06.41)** | 4 08.40 |
| Employee Benefits Expenses | 18 | **29 68.70** | 24 42.78 |
| Depreciation / Amortisation | | **9 26.13** | 8 49.35 |
| Other Expenses | 19 | **306 63.50** | 271 47.23 |
| **Total Expenses** | | **14017 05.57** | 13108 73.09 |
| **Profit / (Loss) Before Tax** | | **126 91.77** | **126 46.95** |
| **Tax Expenses** | | | |
| Current Tax | 2.1 | **32 47.42** | 44 45.51 |
| Deferred Tax | 10 | **(3 40.72)** | 28.78 |
| **Profit for the Year** | | **97 85.07** | 81 72.66 |
| **Other Comprehensive Income** | | | |
| **(i) Items that will not be reclassified to Profit or loss** | | | |
| Remeasurement of Defined Benefit Plans | 18.1 | **(31.92)** | 7.32 |
| **(ii) Income tax relating to items that will not be reclassified to profit or Loss** | | **8.03** | (2.56) |
| **(iii) Items that will be reclassified to Profit or Loss** | | | |
| Debt instruments through Other Comprehensive Income | 16.1 | **13 87.46** | 632.89 |
| **(iv) Income tax relating to items that will be reclassified to profit or Loss** | | **(3 49.22)** | (1 47.44) |
| **Total Comprehensive Income for the year** | | **107 99.42** | 86 62.87 |
| **Earning per Equity Share of face value ₹ 10 each** | | | |
| Basic (in ₹) | 20 | **19 570.14** | 16 345.32 |
| Diluted (in ₹) | 20 | **16 137.66** | 13 478.45 |
| **Significant Accounting Policies** | | | |
| **See accompanying Notes to the Financial Statements** | 1 to 28 | | |

As per our Report of even date
**For Pathak H. D. & Associates LLP**
Chartered Accountants
Firm Registration No.: 107783W / W100593

For and on behalf of the Board

**Ashutosh Jethlia**
Partner
Membership No.: 136007

| | | |
|---|---|---|
| **P. Raghavendran** | **C. S. Borar** | **S. K. Bhardwaj** |
| Chairman | Director | Director |
| DIN - 00012218 | DIN - 00043459 | DIN - 00001584 |
| **Harisha Kumar** | **G. K. Fulwadaya** | **C. S. Gokhale** |
| Whole-time-director | Director | Director |
| DIN - 00367354 | DIN - 03341926 | DIN - 00012666 |

Place: Mumbai
Date: 21st April 2020

# Statement of Changes in Equity for the period ended 31st March 2020

₹ in Lakh

| A. | Equity Share Capital | | | | |
|---|---|---|---|---|---|
| | Balance at the beginning of the reporting period i.e. 1st April, 2018 | Changes in equity share capital during the year 2018-19 | Balance at the end of the reporting period i.e. 31st March, 2019 | Changes in equity share capital during the year 2019-20 | **Balance at the end of the reporting period i.e. 31st March 2020** |
| | 5.00 | - | 5.00 | - | **5.00** |

| B. | **Other Equity** | | | | | | ₹ in Lakh |
|---|---|---|---|---|---|---|---|
| | **Particulars** | **Equity component of compound financial instrument** | **Reserves and Surplus** | | | **Other Comprehensive Income** | **Total** |
| | | **10% Non Cumulative Optionally Convertible Preference Shares *** | **Capital Redemption Reserve** | **Securities Premium Reserve** | **Retained Earnings** | | |
| | **As on 31st March 2019** | | | | | | |
| | Balance at the beginning of the reporting period i.e.1st April, 2018 | 3 99.58 | 6.02 | 7 14.50 | 98 25.15 | 13 95.03 | 123 40.28 |
| | Total Comprehensive Income for the year | - | - | - | 81 72.66 | 4 90.21 | 86 62.87 |
| | Balance at the end of the reporting period i.e. 31st March,2019 | 3 99.58 | 6.02 | 7 14.50 | 179 97.81 | 18 85.24 | 210 03.15 |
| | **As on 31st March 2020** | | | | | | |
| | Balance at the beginning of the reporting period i.e. 1st April, 2019 | 3 99.58 | 6.02 | 7 14.50 | 179 97.81 | 18 85.24 | 210 03.15 |
| | Total Comprehensive Income for the year | - | - | | 97 85.07 | 10 14.35 | 107 99.42 |
| | **Balance at the end of the reporting period i.e. 31st March 2020** | **3 99.58** | **6.02** | **7 14.50** | **277 82.88** | **28 99.60** | **318 02.57** |

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

As per our Report of even date
**For Pathak H. D. & Associates LLP**
Chartered Accountants
Firm Registration No.: 107783W / W100593

**Ashutosh Jethlia**
Partner
Membership No.: 136007

Place: Mumbai
Date: 21st April 2020

For and on behalf of the Board

**P. Raghavendran**
Chairman
DIN - 00012218

**C. S. Borar**
Director
DIN - 00043459

**S. K. Bhardwaj**
Director
DIN - 00001584

**Harisha Kumar**
Whole-time-director
DIN - 00367354

**G. K. Fulwadaya**
Director
DIN - 03341926

**C. S. Gokhale**
Director
DIN - 00012666

# Cash Flow Statement for the year ended 31st March 2020

| | | | | | ₹ in Lakh |
|---|---|---|---|---|---|
| | | | **2019-20** | | 2018-19 |
| **A.** | **CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| | **Net Profit before tax as per Statement of Profit and Loss** | | **126 91.77** | | 126 46.95 |
| | **Adjusted for:** | | | | |
| | Depreciation / Amortisation | **9 26.13** | | 8 49.35 | |
| | Actuarial gain/loss on Defined Benefit Plan | **( 31.92)** | | 7.32 | |
| | (Profit)/ Loss on Sale / Discard of Assets (Net) | **1.32** | | 15.37 | |
| | Dividend Income from Others | **(2 74.95)** | | (1 53.01) | |
| | Gain on Financial Assets | **(1 12.20)** | | (5 46.37) | |
| | Interest Income | **( 14.85)** | | ( 98.83) | |
| | | | **4 93.52** | | 73.83 |
| | **Operating Profit before Working Capital Changes** | | **131 85.29** | | 127 20.78 |
| | Adjusted for: | | | | |
| | Trade & Other Payables | **(161 96.56)** | | 60 10.45 | |
| | Trade & Other Receivables | **65 35.68** | | (171 25.30) | |
| | Inventories | **(37 13.56)** | | 3 32.09 | |
| | | | **(133 74.44)** | | (107 82.76) |
| | **Cash Generated from Operations** | | **(1 89.15)** | | 19 38.02 |
| | Taxes Paid (Net) | | **(31 56.43)** | | (46 45.46) |
| | **Net Cash Generated from Operating Activities** | | **(33 45.58)** | | (27 07.44) |
| **B.** | **CASH FLOW FROM INVESTING ACTIVITIES** | | | | |
| | Dividend Income | | **2 74.95** | | 1 53.01 |
| | Purchase of tangible and intangible assets | | **(13 19.26)** | | (7 27.40) |
| | Interest Received | | **14.85** | | 77.69 |
| | **Net Cash Generated from/(Used in) Investing Activities** | | **(10 29.46)** | | (4 96.70) |
| | **Net Increase/(Decrease) in Cash and Cash Equivalents** | | **(43 75.04)** | | (32 04.14) |
| | **Opening Balance of Cash & Cash Equivalents** | | **56 74.74** | | 88 78.87 |
| | **Closing Balance of Cash & Cash Equivalents*** | | **12 99.70** | | 56 74.74 |

*Refer note 6

As per our Report of even date
**For Pathak H. D. & Associates LLP**
Chartered Accountants
Firm Registration No.: 107783W / W100593

**Ashutosh Jethlia**
Partner
Membership No.: 136007

Place: Mumbai
Date: 21st April 2020

For and on behalf of the Board

**P. Raghavendran**
Chairman
DIN - 00012218

**C. S. Borar**
Director
DIN - 00043459

**S. K. Bhardwaj**
Director
DIN - 00001584

**Harisha Kumar**
Whole-time-director
DIN - 00367354

**G. K. Fulwadaya**
Director
DIN - 03341926

**C. S. Gokhale**
Director
DIN - 00012666

# Significant Accounting Policies

## A. CORPORATE INFORMATION

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

## B. ACCOUNTING POLICIES

### B.1 BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:(i) Certain financial assets and liabilities.(ii) Defined benefit plans - plan assets.

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

With effect from 1st April 2019, Ind AS 116 – "Leases" (Ind AS 116) supersedes Ind AS 17 – "Leases". The Company has adopted Ind AS 116 using the prospective approach. The application of Ind AS 116 has resulted into recognition of 'Right-of-Use' asset with a corresponding Lease Liability in the Balance Sheet.

Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded to the nearest lakhs (₹ 00,000), except when otherwise indicated.

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

### 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, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

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

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.

# Significant Accounting Policies

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 based on useful life of the assets prescribed in Schedule II to the Companies Act, 2013, except in respect of Vehicles,where estimated useful life is 5 years.

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.

**(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) Cash and Cash Equivalents**

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.

**(e) Inventories**

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. 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.

Cost of finished goods, work-in-progress, raw materials, chemicals, stores and spares, packing materials, trading and other products are determined on weighted average basis.

**(f) 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.

**(g) 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.

# Significant Accounting Policies

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.

**(h) 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.

**(i) Employee Benefits**

**Short Term Employee Benefits**

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

**Post-Employment Benefits**

**Defined Contribution Plans**

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

**Defined Benefit Plans**

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

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective IT authorities.

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

Remeasurement gains and losses arising from adjustments and changes in actuarial assumptions are recognized in the period in which they occur in Other Comprehensive Income.

**Employee Separation Costs:** The Company recognises the employee separation cost when the scheme is announced, and the Company is demonstrably committed to it.

**(i) Tax Expenses**

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

- **Current tax**

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

- **Deferred tax**

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

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

# Significant Accounting Policies

**(j) 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 capitalised as cost of assets. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2016 which are related to the acquisition or construction of qualifying assets are adjusted in the carrying cost of such 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).

In case of an asset, expense or income where a non-monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognised. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

**(k) Revenue recognition**

Revenue from contracts with customers is recognized 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 is generally the principal as it typically controls the goods or services before transferring them to the customer

Generally, control is transferred 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 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 recognised when it becomes unconditional. Generally, the credit period varies between 0-60 days from the shipment or delivery of goods or services as the case may be. The Company provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified and also accrues discounts to certain customers based on customary business practices which is derived on the basis of crude price volatility and various market demand – supply situations. Consideration are determined based on its most likely amount.

The Company does not adjust short-term advances received from the customer for the effects of significant financing component if it is expected at the contract inception that the promised good or service will be transferred to the customer within a period of one year.

**Interest income**

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

**Dividends**

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

**(l) Financial instruments**

**(i) Financial Assets**

**A. Initial recognition and measurement:**

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

# Significant Accounting Policies

**B. Subsequent measurement**

**a) Financial assets carried at amortised cost (AC)**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**b) Financial assets at fair value through other comprehensive income (FVTOCI)**

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

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

A financial asset which is not classified in any of the above categories are measured at FVTPL.

**C. 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'.

**D. Impairment of financial assets**

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

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

a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

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

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

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

**(ii) Financial liabilities**

**A. Initial recognition and measurement:**

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

**B. Subsequent measurement:**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**(iii) 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

**(m) 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.

# Significant Accounting Policies

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 JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:

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

### 1 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 life, 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.

### 2 RECOVERABILITY OF TRADE RECEIVABLES

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

### 3 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 requires the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

### 4 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 disposaland 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.

### 5 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.

### 6 FAIR VALUE MEASUREMENT

For estimates relating to fair value of financial instruments refer note 36 of financial statements.

## 7 ESTIMATION UNCERTAINTY RELATING TO THE GLOBAL HEALTH PANDEMIC ON COVID 19 AND FALL IN CRUDE PRICE

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID19 is significantly impacting business operation of the companies, supply chain disruption, unavailability of personnel/ facilities etc. On 24th March 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till 3 May 2020 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities. Further, during March 2020/April 2020, there has been significant volatility in oil prices, resulting in uncertainty and reduction in oil prices.

In assessing the recoverability of Company's assets such as Investments, Loans, intangible assets, Goodwill, Trade receivable etc. the Company has considered internal and external information. The company has performed sensitivity analysis on the assumptions used basis the internal and external information / indicators of future economic conditions, the Company expects to recover the carrying amount of the assets.

# Notes on Financial Statements for the period ended 31st March 2020

**1. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGESS.** ₹ in Lakh

| | Gross Block | | | | Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Description** | As at 01/04/2019 | Additions/ Adjustments | Deductions/ Adjustments | **As at 31/03/2020** | As at 01/04/2019 | For the Year | Deductions/ Adjustments | **As at 31/03/2020** | **As at 31/03/2020** | As at 31/03/2019 |
| **<u>Own Assets :</u>** | | | | | | | | | | |
| Land-Freehold | 3 72.24 | - | - | **3 72.24** | - | - | - | - | **3 72.24** | 3 72.24 |
| Building | 4 05.15 | 0.40 | - | **4 05.55** | 2 06.74 | 22.16 | - | **2 28.90** | **1 76.65** | 1 98.41 |
| Plant and Machinery | 118 37.13 | 10 12.56 | 33.80 | **128 15.89** | 63 28.12 | 8 93.84 | 33.29 | **71 88.67** | **56 27.22** | 55 09.02 |
| Equipments | 91.19 | 12.31 | - | **1 03.50** | 74.57 | 8.23 | - | **82.80** | **20.70** | 16.62 |
| Furniture and fixtures | 14.96 | 0.60 | - | **15.56** | 11.47 | 0.94 | - | **12.41** | **3.15** | 3.49 |
| Vehicles | 43.01 | - | 15.65 | **27.36** | 40.83 | 0.02 | 14.87 | **25.98** | **1.37** | 2.18 |
| Electrical Installations | 8.65 | 0.46 | - | **9.11** | 5.65 | 0.43 | - | **6.08** | **3.03** | 3.00 |
| **Sub Total (A)** | **127 72.33** | **10 26.33** | **49.45** | **137 49.21** | 66 67.38 | 9 25.62 | 48.16 | **75 44.84** | **62 04.36** | 61 04.96 |
| **Rights-of-Use Assets:** | | | | | | | | | | |
| Land | 50.63 | - | - | **50.63** | 10.44 | 0.51 | - | **10.95** | **39.68** | 40.19 |
| **Sub Total (B)** | **50.63** | **-** | **-** | **50.63** | **10.44** | **0.51** | **-** | **10.95** | **39.68** | **40.19** |
| **Total** | **128 22.96** | **10 26.33** | **49.45** | **137 99.84** | **66 77.82** | **9 26.13** | **48.16** | **75 55.79** | **62 44.04** | **61 45.15** |
| Previous Year | 122 80.35 | 7 27.40 | 1 84.80 | 128 22.96 | 59 97.89 | 8 49.35 | 1 69.43 | 66 77.82 | 61 45.15 | |
| Capital Work in progress | - | 2 92.92 | - | 2 92.92 | - | - | - | - | 2 92.92 | |

# Notes on Financial Statements for the period ended 31st March 2020

₹ in Lakh

| | | As at 31st March 2020 | As at 31st March, 2019 |
|---|---|---|---|
| **2** | **OTHER NON CURRENT ASSETS (Unsecured and Considered Good)** | | |
| | Advance Income Tax (Net of Provision) | **1 37.49** | 1 47.72 |
| | Deposits | **13 07.80** | 13 08.28 |
| | **Total** | **14 45.29** | 14 56.00 |

**2.1 TAXATION**

₹ in Lakh

| | | As at 31st March 2020 | As at 31st March, 2019 |
|---|---|---|---|
| **a)** | **Income tax recognised in the Statement of Profit and Loss** | | |
| | Current tax | **32 47.42** | 44 45.51 |
| | Deferred tax | **(3 40.72)** | 28.78 |
| | **Total income tax expenses recognised in the current year** | **29 06.70** | 44 74.29 |

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

₹ in Lakh

| **Particulars** | As at 31st March 2020 | As at 31st March, 2019 |
|---|---|---|
| Profit before tax | **126 91.77** | 126 46.95 |
| Applicable Tax Rate | **25.168%** | 34.608% |
| Computed Tax Expense | **31 94.26** | 43 76.86 |
| **Tax Effect of :** | | |
| Expenses disallowed | **11 30.35** | 3 40.37 |
| Additional allowances | **(10 77.19)** | (2 71.72) |
| MAT Credit Generated or (utilised) during the year | **-** | - |
| **Current Tax Provision (A)** | **32 47.42** | 44 45.51 |
| Incremental deferred tax liability on account of Tangible and Intangible Assets | **(3 40.72)** | 31.89 |
| Incremental deferred tax liability on account of Financial Assets and Other Items | **-** | 3.12 |
| **Deferred Tax Provision (B)** | **(3 40.72)** | 28.78 |
| **Income tax expenses recognised in the Statement of Profit and loss (A+B)** | **29 06.70** | 44 74.28 |
| **Effective Tax Rate** | **23%** | 35% |

**b) Advance Income Tax (Net of Provision)**

₹ in Lakh

| | As at 31st March 2020 | As at 31st March, 2019 |
|---|---|---|
| **At Start of the year** | 1 47.72 | 97.77 |
| Charge for the year | (32 47.42) | (44 45.51) |
| Others # | (341.19) | (150.00) |
| Tax paid during the year (net of refund) | 35 78.38 | 46 45.46 |
| **At the end of the year** | **1 37.50** | 1 47.72 |

# Mainly pertains to Provision for tax on Other Comprehensive Income

# Notes on Financial Statements for the period ended 31st March 2020

**3 INVENTORIES**

₹ in Lakh

| | **As at 31st March 2020** | As at 31st March, 2019 |
|---|---|---|
| Stores, Spares and other Consumables | **4 70.07** | 4 62.92 |
| Stock-in-Trade * | **217 03.87** | 179 97.46 |
| **Total** | **221 73.94** | 184 60.38 |

* Stock - in - trade includes Material in Transit of ₹ 20 49.15 Lakhs (Previous Year ₹28 83.82 Lakhs)

**4 CURRENT INVESTMENTS**

₹ in Lakh

| | **As at 31st March 2020** | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | **Units** | **Amount (₹ in Lakh)** | Units | Amount (₹ in Lakh) |
| **Investments Classification at Fair Value through Other Comprehensive Income (FVTOCI)** | | | | |
| **In Equity Shares - Unquoted, fully paid up** | | | | |
| Air Controls and Chemical Engg. Co. Ltd. of ₹ 1 each | **1,000** | **0.02** | 1,000 | 0.02 |
| **In Units of Mutual Fund - Unquoted, fully paid up** | | | | |
| IDFC Ultra Short Term Fund - Direct Plan - Growth | **54,042,420.933** | **61 64.30** | - | - |
| IDFC Arbitrage Fund - Monthly Dividend | **-** | **-** | 43,675,106.349 | 57 43.49 |
| IDFC Corporate Bond Fund - Direct Plan - Growth | **122,822,345.114** | **171 49.19** | 122,822,345.114 | 157 95.44 |
| **Sub-Total** | | **233 13.51** | | 215 38.95 |
| **Total Current Investments** | | **233 13.51** | | 215 38.95 |
| **Aggregate amount of Unquoted Investent** | | **233 13.51** | | 215 38.95 |

₹ in Lakh

| **4.1 Category-wise Current investment** | **As at 31st March 2020** | As at 31st March, 2019 |
|---|---|---|
| Financial assets carried at amortised cost | - | - |
| Financial assets measured at Fair value through other comprehensive income (FVTOCI) | **233 13.51** | 215 38.95 |
| Financial assets measured at Fair value through Profit & Loss (FVTPL) | - | - |
| **Total Current investment** | **233 13.51** | 215 38.95 |

**5 TRADE RECEIVABLE**

₹ in Lakh

| **( Unsecured and Considered Good)** | **As at 31st March 2020** | As at 31st March, 2019 |
|---|---|---|
| Trade Receivables | **269 29.58** | 305 15.18 |
| **Total** | **269 29.58** | 305 15.18 |

# Notes on Financial Statements for the period ended 31st March 2020

## 6. CASH AND CASH EQUIVALENTS

₹ in Lakh

| | As at 31st March 2020 | As at 31st March, 2019 |
|---|---|---|
| Cash on hand | **9 14.67** | 56 71.40 |
| Balances with Bank | **3 85.03** | 3.34 |
| | **12 99.70** | 56 74.74 |
| Other Bank Balances | | |
| In Deposits* | **35.66** | 30.33 |
| **Cash and Cash equivalents as per Balance Sheet** | **13 35.36** | 57 05.07 |
| **Cash and Cash equivalents as per Statement of Cash Flows** | **12 99.70** | 56 74.74 |

**6.1** * The company has placed fixed deposits amounting to ₹ 35.66 Lakhs of which an amount of ₹ 9.33 lakhs has been kept as lien for Bank Guarantees issued favoring various Beneficiaries amounting to ₹ 9.88 lakhs (Previous Year ₹9.88 lakhs under lien as security for guarantees from a bank) and also includes deposit of ₹0.33 Lakhs (Previous Year ₹ 0.33 Lakhs) with maturity of more than 12 months.

## 7. OTHER CURRENT ASSETS

₹ in Lakh

| | (Unsecured and Considered Good) | As at 31st March 2020 | As at 31st March, 2019 |
|---|---|---|---|
| (a) | Balances with Customs, Central Excise, GST and State Authorities | **64 11.83** | 67 54.17 |
| (b) | Prepaid Expenses | **4 17.14** | 2 84.59 |
| (c) | Others # | **2 04.23** | 36 46.21 |
| | **Total** | **70 33.20** | 106 84.97 |

# Others includes advances to employees and advances to vendors.

## 8 SHARE CAPITAL

₹ in Lakh

| | As at 31st March 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| **Authorised Share Capital :** | | | | |
| 50 00 000 Equity Shares of ₹ 10 each | 500.00 | | 500.00 | |
| ( 50 00 000) | | | | |
| 50 00 000 Preference Shares of ₹10 each | 500.00 | | 500.00 | |
| ( 50 00 000) | | | | |
| **Total** | | **10 00.00** | | 10 00.00 |
| **Issued, Subscribed and Paid up:** | | | | |
| 50 000 Equity Shares of ₹ 10 each fully paid up | | **5.00** | | 5.00 |
| ( 50 000) | | | | |
| **Total** | | **5.00** | | 5.00 |

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

| **Name of the Shareholder** | **As at 31st March 2020** | | As at 31st March, 2019 | |
|---|---|---|---|---|
| | **No. of Shares** | **% held** | No. of Shares | % held |
| Equity Shares | | | | |
| Reliance Retail Limited (Holding Company) | **50,000** | **100** | 50,000 | 100 |

# Notes on Financial Statements for the period ended 31st March 2020

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

| Particulars | As at 31st March 2020 No. of Shares | As at 31st March, 2019 No. of Shares |
|---|---|---|
| Equity Shares at the beginning of the year | **50 000** | 50 000 |
| Add: Equity Share issued during the year | - | - |
| Less:Equity Share bought back during the year | - | - |
| Equity Outstanding at the end of the year | **50 000** | 50 000 |

**8.3 Rights, Preferences and Restrictions attached to Equity Shares**

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

**9 OTHER EQUITY**

₹ in Lakh

| | As at 31st March 2020 | | As at 31st March, 2019 | |
|---|---|---|---|---|
| **Instruments Classified as Equity:** | | | | |
| **10% Non Cumulative Optionally Convertible Preference Shares** | | | | |
| As per Last Balance Sheet | | **399.58** | | 399.58 |
| **Capital Redemption Reserve** | | | | |
| As per last Balance sheet | | **6.02** | | 6.02 |
| **Securities Premium Reserve** | | | | |
| As per last Balance Sheet | | **714.50** | | 714.50 |
| **Retained Earnings** | | | | |
| As per last Balance Sheet | **179 97.81** | | 98 25.15 | |
| Add: Profit for the Year | **97 85.07** | **277 82.88** | 81 72.66 | 179 97.81 |
| **Other Comprehensive Income** | | | | |
| As per last Balance Sheet | **18 85.24** | | 13 95.03 | |
| Add: Movement in OCI (Net) during the year | **10 14.35** | **28 99.60** | 4 90.21 | 18 85.24 |
| **Total** | | **318 02.57** | | 210 03.15 |

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

| Name of the Shareholder | As at 31st March 2020 No. of Shares | As at 31st March 2020 % held | As at 31st March, 2019 No. of Shares | As at 31st March, 2019 % held |
|---|---|---|---|---|
| Preference share | | | | |
| Reliance Retail Limited (Holding Company) | **3,995,800** | **100** | 3,995,800 | 100 |

**9.2 Terms of Preference Shares**

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

# Notes on Financial Statements for the period ended 31st March 2020

**9.3 Rights, Preferences and Restrictions attached to Preference Shares**

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

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

| **Particulars** | **As at 31st March 2020** | As at 31st March, 2019 |
|---|---|---|
| | **No. of Shares** | **No. of Shares** |
| Preference Shares at the beginning of the year | **39 95 800** | 39 95 800 |
| Add: Preference Shares issued during the year | **-** | - |
| Less: Preference Share redeemed during the year | **-** | - |
| Preference Share Outstanding at the end of the year | **39 95 800** | 39 95 800 |

**10 DEFERRED TAX LIABILITY (NET)**

The movement on the Deferred tax account is as follows :

₹ in Lakh

| | **As at 31st March 2020** | As at 31st March, 2019 |
|---|---|---|
| At the Start of the Year | **12 36.44** | 12 07.66 |
| Charge/(Credit) to Profit or Loss (Note ) | **(3 40.72)** | 28.78 |
| **At the end of the year** | **8 95.72** | 12 36.44 |

**Component of Deferred Tax Liabilities / (asset):**

| **Deferred tax liabilities / asset in relation to:** | **As at 31st March, 2019** | **Charge/ (credit) to Profit/ Loss** | **As at 31st March, 2020** |
|---|---|---|---|
| Property, plant and equipment | 12 69.32 | (344.32) | **9 25.00** |
| Others (other disallowances) | ( 32.89) | 3.61 | **( 29.28)** |
| **Total** | 12 36.43 | (340.71) | **8 95.72** |

₹ in Lakh

**11 TRADE PAYABLES**

| | **As at 31st March 2020** | As at 31st March, 2019 |
|---|---|---|
| Micro and small Enterprises | **133.71** | 63.78 |
| Others | **273 47.91** | 423 53.17 |
| **Total** | **274 81.62** | 424 16.95 |

**Trade Payables**

There are no overdue amounts to Micro and Small Enterprises as at March 31, 2020 for which disclosure requirements under Micro and Small Enterprises Development Act, 2006 are applicable.

**12 OTHER FINANCIAL LIABILITIES**

₹ in Lakh

| | **As at 31st March 2020** | As at 31st March, 2019 |
|---|---|---|
| Security Deposits* | **212 80.20** | 204 39.18 |
| **Total** | **212 80.20** | 204 39.18 |

* Represents Deposit from customer/distributors

# Notes on Financial Statements for the period ended 31st March 2020

**13 OTHER CURRENT LIABILITIES**

₹ in Lakh

| | As at 31st March 2020 | As at 31st March, 2019 |
|---|---|---|
| Others[1] | **71 93.50** | 93 09.77 |
| **Total** | **71 93.50** | 93 09.77 |

[1] Includes statutory liabilities, advance from customers

**14 PROVISIONS - SHORT TERM**

₹ in Lakh

| | As at 31st March 2020 | As at 31st March, 2019 |
|---|---|---|
| Provision for Employee Benefits (Refer Note 18.1) | **1 09.23** | 95.21 |
| **Total** | **1 09.23** | 95.21 |

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

**15 Revenue from Operation**

₹ in Lakh

| | 2019-20 | 2018-19 |
|---|---|---|
| **Particulars of Sale of Products** | | |
| (i) Transportation Fuel | **13670 14.24** | 12517 36.59 |
| (ii) Packed LPG | **522 67.22** | 551 75.11 |
| (iii) Others | **19 53.13** | 231 50.06 |
| | **14212 34.59** | 13300 61.76 |
| **Income from Services** | | |
| (i) Franchise Fee | **2 27.83** | 2 33.87 |
| | **14214 62.42** | 13302 95.63 |
| Less: GST Recovered | **88 33.72** | 93 36.55 |
| **Net Revenue from Operations** | **14126 28.70** | 13209 59.08 |

Revenue from contract with customers differ from the revenue as per contracted price due to factors such as taxes recovered, volume rebate, discounts, etc.

**16 OTHER INCOME**

₹ in Lakh

| | 2019-20 | 2018-19 |
|---|---|---|
| **Interest Income** | | |
| From Bank Deposits | **2.87** | 5.21 |
| From Others | **11.98** | 93.62 |
| Dividend Income | **2 74.95** | 1 53.01 |
| Profit on Sale of Mutual Fund | **1 12.20** | 5 46.37 |
| Other non operating income | **13 66.64** | 17 62.75 |
| **Total** | **17 68.64** | 25 60.96 |

Above includes income from assets measured at Cost / Amortised cost ₹ 2.87 lakhs (Previous Year ₹ 5.21 Lakhs), income from assets measured at Fair value through Profit and Loss ₹ 387.15 Lakhs (Previous Year ₹ 699.38 Lakhs)

# Notes on Financial Statements for the period ended 31st March 2020

**16.1 OTHER COMPREHENSIVE INCOME**

| | | ₹ in Lakh |
|---|---|---|
| | **2019-20** | 2018-19 |
| MTM on account of Debt Instruments (Mutual Fund) | **13 87.46** | 6 32.89 |
| **Total** | **13 87.46** | 6 32.89 |

**17 CHANGES IN INVENTORIES OF STOCK IN TRADE**

| | | ₹ in Lakh |
|---|---|---|
| | **2019-20** | 2018-19 |
| **Inventories (at close)** | | |
| Stock-in-Trade | **217 03.87** | 179 97.46 |
| **Inventories (at commencement)** | | |
| Stock-in-Trade | **179 97.46** | 184 05.86 |
| **Total** | **(37 06.41)** | 4 08.40 |

**18 EMPLOYEE BENEFITS AND EXPENSES**

| | | ₹ in Lakh |
|---|---|---|
| | **2019-20** | 2018-19 |
| Salaries, Wages and Bonus | **27 75.38** | 22 78.18 |
| Contribution to Provident and other Funds | **1 07.78** | 87.35 |
| Employee Welfare and other amenities | **85.54** | 77.25 |
| **Total** | **29 68.70** | 24 42.78 |

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

**Defined Contribution Plan**

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

| | | ₹ Lakh |
|---|---|---|
| | **2019-20** | 2018-19 |
| Employer's Contribution to Provident Fund | **55.13** | 40.84 |
| Employer's Contribution to Superannuation Fund | **1.85** | 1.44 |
| Employer's Contribution to Pension Scheme | **28.68** | 22.57 |

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

**Defined Benefit Plan**

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

| | | ₹ Lakh |
|---|---|---|
| | **Gratuity (Funded)** | |
| | **2019-20** | 2018-19 |
| Defined Benefit Obligation at beginning of the year | **2 51.25** | 2 13.69 |
| Re-measurement or Acturarial (gain) / loss arising from | **-** | - |
| change in demorgraphic assumption | **( 0.02)** | |
| change in financial assumption | **28.66** | |
| Current Service Cost | **24.84** | 18.88 |
| Interest Cost | **20.14** | 17.08 |
| Actuarial (Gain)/ Loss - Due to change in experience and change in Financial assumptions | **0.39** | 7.45 |
| Benefits Paid | **( 10.93)** | ( 5.86) |
| Defined Benefit Obligation at year end | **3 14.33** | 2 51.25 |

# Notes on Financial Statements for the period ended 31st March 2020

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

| | Gratuity (Funded) | |
|---|---|---|
| | **2019-20** | 2018-19 |
| Fair Value of Plan Assets at beginning of the year | **3 78.27** | 3 58.34 |
| Add: Liability Transferred In/ On Amalgamation | **-** | - |
| Interest Income | **30.34** | 28.64 |
| Return on Plan Assets, excluding Interest Income | **( 2.88)** | ( 2.86) |
| Employer Contribution | **-** | - |
| Benefits Paid | **-** | ( 5.86) |
| Fair Value of Plan Assets at year end | **4 05.72** | 3 78.27 |
| Actual Return on Plan Asset | **27.46** | 25.78 |

**III. Reconciliation of Fair Value of Assets and Obligations** ₹ Lakh

| | Gratuity (Funded) | |
|---|---|---|
| | **2019-20** | 2018-19 |
| (Present Value of Obligation at the end of the Period ) | **(3 14.33)** | (2 51.25) |
| Fair Value of Plan Assets at the end of the Period | **4 05.72** | 3 78.27 |
| Funded Status (Surplus/ (Deficit)) | **91.39** | 1 27.02 |
| Net (Liability) / Asset recognised in the Balance Sheet | **91.39** | 1 27.02 |

**IV. Expenses recognised during the year** ₹ Lakh

| | Gratuity (Funded) | |
|---|---|---|
| | **2019-20** | 2018-19 |
| **In Income Statement** | | |
| Current Service Cost | **24.84** | 18.88 |
| Interest Cost | **(10.18)** | (11.56) |
| Return on Plan Assets | **-** | - |
| **Expense recognised in the Income Statement** | **14.65** | 7.32 |
| **In Other Comprehensive Income** | | |
| Actuarial (Gain)/ Loss | **29.03** | 7.45 |
| Return on Plan Assets | 2.88 | 2.86 |
| **Net (Income)/ Expense for the period recognised in OCI** | **31.91** | 10.31 |

**V. Balance Sheet Reconciliation** ₹ Lakh

| | Gratuity (Funded) | |
|---|---|---|
| | **2019-20** | 2018-19 |
| **Opening Net Liability** | **(155.79)** | (173.42) |
| Expenses recognised in Statement of Profit or Loss | **14.65** | 7.32 |
| Expenses recognised in OCI | **31.91** | 10.31 |
| **Net Liability / (Asset) recognised in the Balance Sheet** | **(109.23)** | (155.79) |

# Notes on Financial Statements for the period ended 31st March 2020

**VI. Investment Details**

| | % Invested | 2019-20 ₹ Lakh | 2018-19 ₹ Lakh |
|---|---|---|---|
| Insurance Policies | 100% | **4 05.72** | 3 78.27 |
| Others | - | - | - |
| | **100%** | **4 05.72** | **3 78.27** |

**VII. Actuarial Assumptions**

| **Mortality Table (IALM)** | **Gratuity (Funded)** | |
|---|---|---|
| | **2019-20** | 2018-19 |
| | **2006-08 (Ultimate)** | 2006-08 (Ultimate) |
| Discount Rate (per annum) | **7%** | 8% |
| Expected Rate of Return on Assets (per annum) | **7%** | 8% |
| Rate of Escalation in Salary (per annum) | **6%** | 6% |
| Rate of Employee Turnover | **2%** | 2% |

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

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

**VIII. The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2018-19**

**IX. Sensitivity Analysis**

Siginificant Acturial Assumptions for the determination of the defined benefit obligation are discount trade,expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on resonably possible changes of the assumptions occuring at end of the reporting period, while holding all other assumptions constant. The result of Sesitivity analysis is given below:

₹ Lakh

| | As on | |
|---|---|---|
| **Particulars** | **31-Mar-20** | 31-Mar-19 |
| **Projected Benefit Obligation on Current Assumption** | **314.33** | 251.25 |
| Delta Effect of +0.5% Change in Rate of Discounting - Increase | **(13.41)** | (10.65) |
| Delta Effect of -0.5% Change in Rate of Discounting - Decrease | **14.33** | 11.34 |
| Delta Effect of -0.5% Change in Rate of Salary Decrease | **(13.58)** | (10.89) |
| Delta Effect of + 0.5% Change in Rate of Salary Increase | **14.38** | 11.51 |
| Delta Effect of -0.5% Change in Rate of Employee Turnover - Decrease | **(0.18)** | (0.97) |
| Delta Effect of + 0.5% Change in Rate of Employee Turnover - Increase | **0.18** | 0.94 |

These plans typically expose the Group to actuarial risks such as: Interest rate risk, Liquidity risk, Demographic risk, Regulatory risk, Market risk and Investment risk.

**Interest Rate Risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

# Notes on Financial Statements for the period ended 31st March 2020

**Liquidity Risk:** This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availabilty of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

**Demographic Risk:** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**Regulatory Risk:** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of ₹ 20,00,000).

**Asset Liability Mismatching or Market Risk:** The duration of the liabilty is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

**Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

**19 OTHER EXPENSES** ₹ in Lakh

| | | **2019-20** | | 2018-19 | |
|---|---|---|---|---|---|
| **SALES & DISTRIBUTION EXPENSES** | | | | | |
| Sales Tax, Service Tax and Turnover Tax | | **39 49.53** | | 37 89.82 | |
| Brokerage, Discount and Commission | | **26.09** | | 26.61 | |
| Samples, Sales Promotion and Advertisement Expenses | | **5 21.72** | | 3 98.55 | |
| Clearing and Forwarding/ Freight Expenses | | **4 70.32** | **49 67.66** | 6 64.68 | 48 79.66 |
| **OPERATING EXPENSES INCLUDING ADMINSTRATIVE EXPENSES** | | | | | |
| Operator Charges | | **190 56.87** | | 151 73.47 | |
| Electricity Expenses | | **26 11.46** | | 29 79.06 | |
| Security Expenses | | **77.92** | | 1 12.60 | |
| Travelling and Conveyance Expenses | | **4 12.15** | | 3 60.69 | |
| Repairs and Maintenance | | **5 49.50** | | 6 25.25 | |
| Bank and Other Charges | | **22 97.02** | | 22 40.31 | |
| Usage Charges | | **5.55** | | 18.32 | |
| Donation | | **1 76.15** | | 86.15 | |
| Rates & Taxes | | **23.82** | | 1 37.47 | |
| Professional and Legal fees | | **91.72** | | 2 03.67 | |
| Telephone expenses | | **22.76** | | 26.88 | |
| Insurance | | **57.81** | | 47.26 | |
| Loss on Sale / Discard of Assets | | **1.32** | | 15.37 | |
| Printing and stationery | | **5.30** | | 5.23 | |
| Project Material Cons | | **0.04** | | - | |
| Other General and Administrative Charges | | **2 81.45** | **256 70.84** | 2 08.17 | 222 39.90 |
| **PAYMENTS TO AUDITORS AS :** | | | | | |
| (a) | Auditor | | | | |
| | Statutory Audit fees | **20.00** | | 19.28 | |
| | Tax Audit fees | **5.00** | | 5.00 | |
| (b) | Certification Fees | **-** | | 3.39 | |
| | | | **25.00** | | 27.67 |
| **Total** | | | **306 63.50** | | 271 47.23 |

# Notes on Financial Statements for the period ended 31st March 2020

**19.1 CORPORATE SOCIAL RESPONSIBILITY (CSR)**

**(a)** CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is ₹ 176.00 Lakhs (Previous year ₹ 86.05 Lakhs).

**(b)** Expenditure related to CSR is ₹ 176.00 lakhs (Previous year ₹ 86.05 lakhs).

**(c)** Details of Amount spent towards CSR given below :

| | | ₹ Lakh |
|---|---|---|
| Particulars | **2019-20** | 2018-19 |
| Rural Transformation | **-** | 80.00 |
| Community Development | **-** | 6.05 |
| Support to Preventive Healthcare Facilities | **146.00** | - |
| Education - Dhirubhai Ambani Scholarships | **30.00** | - |
| Total | **176.00** | 86.05 |

**(d)** The entire ₹ 176.00 lakh (Previous year ₹ 86.05 Lakhs) is spent through Reliance Foundation.

| **20** | **EARNINGS PER SHARE (EPS)** | **2019-20** | 2018-19 |
|---|---|---|---|
| | **Face Value per Equity Share (₹)** | **10.00** | 10.00 |
| | **Basic Earnings per Share (₹)** | **19 570.14** | 16 345.32 |
| | Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ lakhs) | **97 85.07** | 81 72.66 |
| | Weighted average number of equity shares (Used as Denominator for calculating Basic EPS) | **50,000** | 50,000 |
| | **Diluted Earnings per Share (₹)** | **16 137.66** | 13 478.45 |
| | Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ lakhs) | **97 85.07** | 81 72.66 |
| | Weighted average number of equity shares (Used as Denominator for calculating Diluted EPS) | **60,635** | 60,635 |
| | **Reconciliation of Weighted average number of shares outstanding** | | |
| | Weighted average number of equity shares (Used as Denominator for calculating Basic EPS) | **50,000** | 50,000 |
| | **Weighted Average Potential Equity Shares** | **10,635** | 10,635 |
| | Total Weighted average number of equity shares for calculating Diluted EPS | **60,635** | 60,635 |

# Notes on Financial Statements for the period ended 31st March 2020

**21 RELATED PARTY DISCLOSURE**

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

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

| Name of the Related Party | Relationship |
|---|---|
| Reliance Industries Limited | Ultimate Holding Company |
| Reliance Retail Ventures Limited | Holding Companies |
| Reliance Retail Limited | |
| Reliance Brands Limited | Fellow Subsidiary Companies |
| Reliance Jio Infocomm Limited | |
| Reliance Payment Solutions Limited | |
| Reliance Corporate IT Park Ltd | |
| Reliance Sibur Elastomers Private Limited | |
| Shri Harisha M. Kumar | Key Managerial Personnel |

**(ii) Transaction during the year with related parties:** ₹ Lakhs

| Nature of Transactions (Excluding reimbursements) | Ultimate Holding Company | Holding Company | Fellow Subsidiary Company | Directors/ Key Managerial Personnel | Total |
|---|---|---|---|---|---|
| **1. Purchase** | | | | | |
| Purchase during the year | **13902 47.56** | **-** | **-** | **-** | **13902 47.56** |
| | *13032 20.24* | *-* | *-* | *-* | *13032 20.24* |
| Asset Usage Charges | ***79 43.89*** | **-** | **-** | **-** | **79 43.89** |
| | *6,651.64* | *-* | *-* | *-* | *66 51.64* |
| Purchase of Equipments | **-** | | | | **-** |
| | *3.65* | | | | *3.65* |
| **2. Expenditure** | | | | | |
| a) Sales Promotion Expense | **-** | **121.42** | **-** | **-** | **1 21.42** |
| | *-* | *10.66* | *-* | *-* | *10.66* |
| b) Other Expenses | | | | | |
| Professional Fees | **-** | **-** | ***1.95*** | **-** | ***1.95*** |
| | *1.18* | *-* | *132.86* | *-* | *1 34.04* |
| Telephones Expenses | **-** | **-** | ***12.96*** | | ***12.96*** |
| | *-* | *-* | *20.66* | | *20.66* |
| POS Rental Charges | **-** | **-** | ***20.14*** | **-** | ***20.14*** |
| | *-* | *-* | *22.80* | *-* | *22.80* |
| Warehouse expenses | **14.32** | **-** | **-** | **-** | ***14.32*** |
| | *-* | *-* | *-* | *-* | *-* |
| c) Payment to Key Managerial Personnel | **-** | **-** | **-** | **30.25** | **30.25** |
| | *-* | *-* | *-* | *28.94* | *28.94* |

# Notes on Financial Statements for the period ended 31st March 2020

| | | Nature of Transactions (Excluding reimbursements) | Ultimate Holding Company | Holding Company | Fellow Subsidiary Company | Directors/ Key Managerial Personnel | Total |
|---|---|---|---|---|---|---|---|
| 3. | Income | | | | | | |
| | a) | Sale during the year | **1 01.09** | **26.84** | **460 19.77** | - | **461 47.70** |
| | | | *1 57.80* | *4.00* | *343 52.26* | - | *345 14.07* |
| | | **Balances as at 31st March 2020** | | | | | |
| | | Trade Receiveables | **4.61** | **12.52** | **2.01** | - | **19.14** |
| | | | *89.38* | *3.25* | *1.16* | - | *93.79* |
| | | Trade and Other Payables | **193 68.00** | **5.06** | **7.28** | - | **193 80.34** |
| | | | *245 59.86* | *3.61* | *112.35* | - | *246 75.82* |

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

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

| **Particulars** | | **Relationship** | **2019-20** | 2018-19 |
|---|---|---|---|---|
| **1.** | **Purchases during the year** | | | |
| | Reliance Industries Limited | Ultimate Holding Company | **13981 91.45** | 13098 71.88 |
| **2.** | **Sales Promotion Expenses** | | | |
| | Reliance Retail Limited | Holding Company | **1 21.42** | 10.66 |
| **3.** | **Other Expenses** | | | |
| | Reliance Industries Limited | Ultimate Holding Company | **14.32** | 1.18 |
| | Reliance Jio Infocomm Limited | Fellow Subsidiary Company | **12.96** | 20.66 |
| | Reliance Corporate IT Park Ltd | Fellow Subsidiary Company | **1.95** | 1 32.86 |
| | Reliance Payment Solutions Limited | Fellow Subsidiary Company | **20.14** | 22.80 |
| 4. | Payment to KMP/ Director | | | |
| | Shri Harisha M. Kumar | Key Managerial Personnel | **30.25** | 28.94 |
| 5. | Sales during the year | | | |
| | Reliance Industries Limited | Ultimate Holding Company | **1 01.09** | 1 57.80 |
| | Reliance Retail Limited | Holding Company | **26.84** | 4.00 |
| | Reliance Jio Infocomm Limited | Fellow Subsidiary Company | **451 12.63** | 317 00.26 |
| | Reliance Sibur Elastomers Private Limited | Fellow Subsidiary Company | **9 07.14** | 26 52.00 |

**Notes :**

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

(2) Review of outstanding balances is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. These balances are unsecured and their settlement occurs through Banking channel.

# Notes on Financial Statements for the period ended 31st March 2020

₹ in Lakh

**(iv) Balances as at 31st March 2020**

| Particulars | | Relationship | As at 31st March 2020 | As at 31st March, 2019 |
|---|---|---|---|---|
| 1 | **Sundry Debtors** | | | |
| | Reliance Industries Limited | Ultimate Holding Company | **4.61** | 89.38 |
| | Reliance Retail Limited | Holding Company | **12.52** | 3.25 |
| | Reliance Jio Infocomm Limited | Fellow Subsidiary Company | **2.00** | 1.16 |
| 2 | **Sundry Creditors** | | | |
| | Reliance Industries Limited | Ultimate Holding Company | **193 68.00** | 245 59.86 |
| | Reliance Retail Limited | Holding Company | **5.06** | 3.61 |
| | Reliance Corporate IT Park Ltd | Fellow Subsidiary Company | **-** | 1 10.81 |
| | Reliance Payment Solutions Limited | Fellow Subsidiary Company | **-** | 1.54 |
| | Reliance Jio Infocomm Limited | Fellow Subsidiary Company | **7.28** | - |

**21.1 Compensation of Key Management personnel**

The remuneration of director and other member of key management personnel during the year was as follows: ₹ in Lakh

| | | 2019-20 | 2018-19 |
|---|---|---|---|
| (i) | Short term benefits | **29.19** | **27.88** |
| (ii) | Post employment benefits | **1.06** | **1.06** |
| | **Total** | **30.25** | **28.94** |

**22 ADDITIONAL INFORMATION** ₹ Lakhs

| **Particulars** | | As at 31st March 2020 | As at 31st March, 2019 |
|---|---|---|---|
| **1.** | **Contingent Liability** | | |
| (i) | Bank Guarantees to Government Authorities | **23.67** | 23.67 |
| (ii) | In respect of Sales Tax Liability under various Sales Tax Authorities* | **48 27.81** | 48 27.81 |
| (iii) | In respect of Income Tax Liability under Various Income Tax Authorities | **56.85** | 26.71 |

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

**23** The Income-Tax assessments of the company have been completed up to Assessment Year 2017-18. The Disputed demand outstanding up to the said Assessment Year is ₹ 56.85 lakh.

**24 Capital Management**

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

**Gearing Ratio**

There is no Debt in the Company as on 31.03.2020 and 31.03.2019. Thus, Gearing Ratio is NIL as on 31.03.2020 and 31.03.2019.

**25 FINANCIAL INSTRUMENTS**

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

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

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

# Notes on Financial Statements for the period ended 31st March 2020

| **Particulars** | **As at 31st March, 2020** | | | | As at 31st March, 2019 | | | |
|---|---|---|---|---|---|---|---|---|
| | **Carrying amount** | **Level of input used in** | | | Carrying amount | Level of input used in | | |
| | | **Level 1** | **Level 2** | **Level 3** | | Level 1 | Level 2 | Level 3 |
| **Financial Assets** | | | | | | | | |
| **At Amortised Cost** | | | | | | | | |
| Trade Receivables | 269 29.58 | - | - | - | 305 15.18 | - | | |
| Cash and Bank Balances | 13 35.36 | - | - | - | 57 05.07 | - | | |
| **At FVTOCI** | | | | | | | | |
| Investments | 233 13.51 | 233 13.49 | - | 0.02 | 215 38.95 | 215 38.93 | | 0.02 |
| **Financial Liabilities** | | | | | | | | |
| **At Amortised Cost** | | | | | | | | |
| Trade Payables | 274 81.62 | - | - | - | 424 16.95 | - | | |
| Other Finacial Liabilities | 212 80.20 | - | - | - | 204 39.18 | - | | |

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

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

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

**Level 3:** Pricing inputs are based on unobservable market data and the fair values of these instruments are determined using a valuation model based on assumptions that are neither supported by prices from observable market transactions in the same instrument nor are they based on available market data.

**Foreign Currency Risk**

**Foreign currency exposure profile is given below :**

| **Particulars** | **As at 31st March, 2020** | As at 31st March, 2019 |
|---|---|---|
| | **USD** | USD |
| Trade and Other Receiveables | - | - |

**A) Credit Risk**

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

**B) Liquidity Risk**

Liquidity risk is the risk that suitable sources of funding for the company's business activities may not be available. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due, so that the company is not forced to obtain funds at higher rates. The Company monitors rolling forecasts of the Company's cash flow position and esnure that the Company is able to meet its financial obligation at all times including contingencies.

**26 Segment Reporting:**

The Company is mainly engaged in 'retail selling and distribution of Petroleum and related products' catering to Indian customers. All the activities of the Company revolve around this main business. Accordingly, the Company has only one identifiable segment reportable under Ind AS 108 "Operating Segment". The Whole Time Director (the 'Chief Operational Decision Maker as defined in IND AS 108 – Operating Segments) monitors the operating results of the entity's business for the purpose of making decisions about resource allocation and performance assessment.

# Notes on Financial Statements for the period ended 31st March 2020

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

i) Loans given ₹ NIL (Previous year ₹ NIL)

ii) Investments made ₹ NIL (Previous year ₹ NIL)

iii) Guarantees given and Securities provided by the Company in respect of loan ₹ NIL (Previous year ₹ NIL)

**28 APPROVAL OF FINANCIAL STATEMENTS**

The Financial Statements were approved for issue by the Board of Directors on 21st April 2020

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

As per our Report of even date
**For Pathak H. D. & Associates LLP**
Chartered Accountants
Firm Registration No.: 107783W / W100593

**Ashutosh Jethlia**
Partner
Membership No.: 136007

Place: Mumbai
Date: 21st April 2020

For and on behalf of the Board

| | | |
|---|---|---|
| **P. Raghavendran** | **C. S. Borar** | **S. K. Bhardwaj** |
| Chairman | Director | Director |
| DIN - 00012218 | DIN - 00043459 | DIN - 00001584 |
| **Harisha Kumar** | **G. K. Fulwadaya** | **C. S. Gokhale** |
| Whole-time-director | Director | Director |
| DIN - 00367354 | DIN - 03341926 | DIN - 00012666 |