Shri Kannan Departmental Store Private Limited

Financial Statements

2019-20

INDEPENDENT AUDITOR'S REPORT

To

The Members of SHRI KANNAN DEPARTMENTAL STORE PRIVATE LIMITED,

Report on the Audit of the Financial Statements

Opinion

I have audited the Financial Statements of SHRI KANNAN DEPARTMENTAL STORE PRIVATE LIMITED, which comprise the Balance Sheet as at 31st March 2020, the Statement of profit and loss, Statement of changes in equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its Loss including Other Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

The Company's Board of Directors 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with Standards on Auditing, I exercise professional judgment and maintain professional scepticism throughout the audit. I 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 my 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, I am also responsible for expressing my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 my audit work and in evaluating the results of my work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my 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, I give in the "**Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

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

   (d) In my opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 and the operating effectiveness of such controls, refer to my separate Report in "**Annexure B**".

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

      i. The Company does not have any pending litigations which would impact its Financial Statements.

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

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

3. As per Section 197(16) of the Act, I report that the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.

For **S. KANAKASABAPATHY FCA**
Chartered Accountants
FRN : 019248

S KANAKASABAPATHY
(PROPRIETOR)
Membership No: 019248
UDIN: 20019248AAAAAB1426

Place: Erode
Date: 28th April 2020

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF SHRI KANNAN DEPARTMENTAL STORE PRIVATE LIMITED

(Referred to in Paragraph 1 under the heading of "Report on other legal and regulatory requirements" of my 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 me, all the fixed assets have been physically verified by the management in a phased periodical manner, which in my 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 explanation given to me and the records examined by me and based on the examination of the registered sale deeds provided to me, we report that title deeds, comprising all the immovable properties of lands which are freehold, are in the name of the Company as at balance sheet date.

ii. As explained to me, physical verification of the inventories have been conducted at reasonable intervals by the management, which in my 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. As informed to me the company has not granted any loans, secured or unsecured to firms, limited liability partnership, or other parties covered under in register maintained under section 189 of the Act.

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

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

vi. In my opinion, to the best of my knowledge and according to the information and explanations given to me, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.

vii. In respect of Statutory dues :

a. The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it to the appropriate authorities. According to the information and explanations given to me, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at 31stMarch, 2020 for a period of more than six months from the date becoming payable.

b. According to the information and explanations given to me, there are no the dues of Income Tax, Sales Tax, Goods and Service Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, cess on account of any dispute, which have not been deposited with the appropriate authorities as at balance sheet date.

viii. In my opinion and according to the information given to me, as on 31st March 2020, there are no term loans outstanding from any financial institutions or banks or government. The Company has not issued any debentures;

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

x. In my opinion, based on the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and as per information and explanations given to me, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. In my opinion and according to the information and explanation given to me, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. In my opinion Company is not a Nidhi Company and hence reporting under, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

xiii. In my opinion and according to information and explanations provided by the management, Section 177 of the Act is not applicable to the Company. Further, Company is in compliance with section 188 of the Act and details have been disclosed in the financial statements etc. as required by the applicable accounting standards.

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

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

xvi. In my opinion, to the best of my knowledge and according to the information and explanations given to me, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **S. KANAKASABAPATHY FCA**
Chartered Accountants
FRN : 019248

S KANAKASABAPATHY
(PROPRIETOR)
Membership No: 019248
UDIN: 20019248AAAAAB1426

Place: Erode
Date: 28th April 2020

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTSOF SHRI KANNAN DEPARTMENTAL STORE PRIVATE LIMITED

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' of my 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")

I have audited the Internal Financial Control over financial reporting of SHRI KANNAN DEPARTMENTAL STORE PRIVATE LIMITED ("the company") as of 31st March, 2020 in conjunction with my audit of the Financial Statements of the Company for the year then ended.

Management Responsibility for the Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In my opinion, to the best of my information and according to the explanations given to me, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 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 the ICAI.

For **S. KANAKASABAPATHY FCA**
Chartered Accountants
FRN : 019248

S KANAKASABAPATHY
(PROPRIETOR)
Membership No: 019248
UDIN:20019248AAAAAB1426

Place: Erode
Date: 28th April 2020

Balance Sheet as at 31st March, 2020

₹ crore

Particulars	Notes		As at 31st March, 2020		As at 31st March, 2019		As at 1st April 2018
ASSETS							
Non-Current Assets							
Property, Plant and Equipment	1	**237.04**		35.03		33.41	
Capital Work-in-Progress	1	**-**		0.03		-	
		237.04		35.06		33.41	
Financial Assets							
Deferred Tax Assets (net)	2	**0.02**		2.30		2.29	
Other Non-Current Assets	3	**1.45**		1.51		1.16	
Total Non-Current Assets			**238.51**		38.87		36.86
Current Assets							
Inventories	4	**51.39**		111.75		113.73	
Financial Assets							
Trade Receivables	5	**3.53**		5.89		7.97	
Cash and Cash Equivalents	6	**27.73**		9.35		11.15	
Other Financial Assets	7	**6.48**		5.77		6.02	
Other Current Assets	8	**0.18**		2.14		2.18	
Total Current Assets			**89.31**		134.90		141.05
Total Assets			**327.82**		173.77		177.91
EQUITY AND LIABILITIES							
Equity							
Equity Share Capital	9	**8.49**		7.86		7.86	
Other Equity	10	**158.04**		38.27		37.92	
Total Equity			**166.53**		46.13		45.78
Liabilities							
Non-Current Liabilities							
Financial Liabilities							
Borrowing	11	**92.18**		18.22		19.55	
Provisions	12	**2.84**		2.02		-	
Total Non-Current Liabilities			**95.02**		20.24		19.55
Current Liabilities							
Financial Liabilities							
Borrowings	13	**-**		58.68		59.57	
Trade Payables Due to:	14						
Micro and Small Enterprise		**-**		-		-	
Other than Micro and Small Enterprise		**57.68**		44.73		50.47	
Other Financial Liabilities	15	**0.58**		-		-	
Provisions	16	**0.54**		0.42		2.00	
Other Current Liabilities	17	**7.47**		3.57		0.54	
Total Current Liabilities			**66.27**		107.40		112.58
Total Liabilities			**161.29**		127.64		132.13
Total Equity and Liabilities			**327.82**		173.77		177.91

Significant accounting policies
See accompanying Notes to the Financial Statements **1 to 31**

As per our Report of even date

For **S. Kanakasabapathy FCA**
Chartered Accountants
FRN: 019248

S Kanakasabapathy
Propreitor
Membership No: 019248

Place: Chennai
Dated: 28th April 2020

For and on behalf of the Board

T Thanushgaran
Director

Ashok Kumar R S
Director

Shivram Murti
Director

Radhika Disale
Director

Jinal Jain
Company Secretary

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

₹ crore

Particulars	Note		2019-20		2018-19
INCOME					
Value of Sales			**403.85**		450.57
Income from Services			**0.84**		2.84
Value of Sales & Services (Revenue)			**404.69**		453.41
Less: GST recovered			**33.04**		38.08
Revenue from Operations			**371.65**		415.33
Other Income	**18**		**0.06**		0.12
Total Income			**371.71**		415.45
EXPENSES					
Purchases of Stock-in-Trade			**336.64**		358.28
Changes in Inventories of Finished Goods and Stock-in-Trade	**19**		**60.36**		1.98
Employee Benefits Expense	**20**		**20.92**		18.53
Finance Costs	**21**		**7.18**		7.01
Depreciation and Amortisation Expense	**1**		**3.90**		3.59
Other Expenses	**22**		**20.82**		23.67
Total Expenses			**449.82**		413.06
(Loss) /Profit before Tax			**(78.11)**		2.39
Tax expenses					
Current Tax					
For Current year		**-**		1.50	
For Earlier years		**0.10**		0.55	
Deferred Tax	**2**	**2.28**		(0.01)	
			2.38		2.04
(Loss) /Profit for the year			**(80.49)**		0.35
Other Comprehensive Income					
Items that will not be reclassified to Statement of profit and loss	**20.1**	**(0.29)**		-	
Income tax relating to items that will not be reclassified to Statement of profit and loss		**-**		-	
Total Other Comprehensive Income for the year (Net of tax)			**(0.29)**		-
Total Comprehensive Income for the year			**(80.78)**		0.35
Earnings per equity share of face value of ₹ 10 each					
Basic (in ₹)	**25**		**(1,023.57)**		4.45
Diluted (in ₹)			**(1,023.57)**		4.45
Significant accounting policies See accompanying Notes to the Financial Statements	**1 to 31**				

As per our Report of even date

For **S. Kanakasabapathy FCA**
Chartered Accountants
FRN: 019248

S Kanakasabapathy
Propreitor
Membership No: 019248

Place: Chennai
Dated: 28th April 2020

For and on behalf of the Board

T Thanushgaran
Director

Ashok Kumar R S
Director

Shivram Murti
Director

Radhika Disale
Director

Jinal Jain
Company Secretary

Statement of Changes in Equity for the year ended 31st March, 2020

A. Equity Share Capital

₹ crore

Balance as at 1st April, 2018	Changes during the year 2018-19	Balance as at 31st March, 2019	Changes during the year 2019-20	Balance as at 31st March, 2020
7.86	**-**	**7.86**	**0.63**	**8.49**

B. Other Equity

₹ crore

Particulars	Reserves & Surplus				Other Comprehensive Income	Total
	Securities Premium	General Reserve	Retained Earnings	Revaluation Reserve		
As on 31st March 2019						
Balance at the beginning of reporting period 1st April, 2018		36.16	1.76	-	-	37.92
Add: During the year	-	-	-	-	-	-
Total Comprehensive income for the year	-	-	0.35	-	-	0.35
Balance at the end of reporting period 31st March, 2019	**-**	**36.16**	**2.11**	**-**	**-**	**38.27**
As on 31st March, 2020						
Balance at the beginning of reporting period 1st April, 2019	-	36.16	2.11	-	-	38.27
Add: During the year (including revaluation reserve)	11.61	-	-	188.94	-	200.55
Total Comprehensive income for the year	-	-	(80.49)	-	(0.29)	(80.78)
Balance at the end of reporting period 31st March 2020	**11.61**	**36.16**	**(78.38)**	**188.94**	**(0.29)**	**158.04**

As per our Report of even date

For **S. Kanakasabapathy FCA**
Chartered Accountants
FRN: 019248

S Kanakasabapathy
Propreitor
Membership No: 019248

Place: Chennai
Dated: 28th April 2020

For and on behalf of the Board

T Thanushgaran
Director

Ashok Kumar R S
Director

Shivram Murti
Director

Radhika Disale
Director

Jinal Jain
Company Secretary

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

₹ crore

	Particulars		2019-20		2018-19
A:	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit Before Tax as per Statement of Profit and Loss		**(78.11)**		2.39
	Adjusted for:				
	(Profit)/ Loss on Sale/ Discarding of Property, Plant and Equipment (Net)	**(4.33)**		-	
	Depreciation and Amortisation Expense	**3.90**		3.59	
	Interest Income	**(0.04)**			
	Finance Costs	**7.18**		7.01	
			6.71		10.60
	Operating Profit before Working Capital Changes		**(71.40)**		12.99
	Adjusted for:				
	Trade and Other Receivables	**4.49**		1.50	
	Inventories	**60.36**		1.98	
	Trade and Other Payables	**18.09**		(2.27)	
			82.94		1.21
	Cash Generated from Operations		**11.54**		14.20
	Taxes Paid (Net)		**(0.92)**		(1.53)
	Net Cash Flow From Operating Activities		**10.62**		12.67
B:	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property, Plant and Equipment and Intangible Assets		**(19.08)**		(5.24)
	Proceeds from disposal of Property, Plant and Equipment and Intangible Assets		**6.47**		-
	Interest Income		**0.04**		-
	Net Cash Flow (Used in) Investing Activities		**(12.57)**		(5.24)
C:	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Issue of Share		**12.23**		-
	Repayment of Borrowings - Non Current		**73.96**		(1.33)
	Borrowings - Current (Net)		**(58.68)**		(0.89)
	Interest Paid		**(7.18)**		(7.01)
	Net Cash Flow from / (Used in) Financing Activities		**20.33**		(9.23)
	Net Increase/(Decrease) in Cash and Cash Equivalents		**18.38**		(1.80)
	Opening Balance of Cash and Cash Equivalents		**9.35**		11.15
	Closing balance of Cash and Cash Equivalents (Refer Note "6")		**27.73**		9.35

As per our Report of even date

For **S. Kanakasabapathy FCA**
Chartered Accountants
FRN: 019248

S Kanakasabapathy
Propreitor
Membership No: 019248

Place: Chennai
Dated: 28th April 2020

For and on behalf of the Board

T Thanushgaran
Director

Ashok Kumar R S
Director

Shivram Murti
Director

Radhika Disale
Director

Jinal Jain
Company Secretary

Notes to the Financial Statements for the year ended 31st March, 2020

A. Corporate Information

Shri Kannan Departmental Store Private Limited ("the Company") is a limited company incorporated in India having its registered office at No. 13, 2nd Floor, Sri Bhairavi Complex, SKC Road, Erode – 638001, India. The Company's immediate holding Company is Reliance Retail Ventures Limited and Ultimate holding company is Reliance Industries Limited. The Company is engaged in organised retail primarily catering to Indian consumers.

B. Significant Accounting Policies

B.1 Basis of Preparation and Presentation

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

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

Up to year ended 31 March 2019, the Company has prepared its financial instrument in accordance with the requirement of Indian GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

These financial statement are the Company's first Ind AS Standalone financial statements.

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

B.2 Summary of Significant Accounting Policies

(a) Current and Non-Current Classification

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

An asset is treated as Current when it is –

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

(b) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price and any cost directly attributable to bringing the assets to its working condition for its intended use. In case of Land and Building the company has availed the fair value as deemed cost at the time of transition to Ind AS.

Notes to the Financial Statements for the year ended 31st March, 2020

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.

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

Depreciation on Property, Plant and Equipment is provided on Written down value method and based on useful life of the assets as prescribed in with Schedule II to the Companies Act, 2013. Leasehold improvements are amortized over the lower of estimated useful life or lease period; on assets acquired under finance lease depreciation is provided over the lease term.

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

(c) Leases

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

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

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

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

(d) Intangible Assets

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

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

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

Notes to the Financial Statements for the year ended 31st March, 2020

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

(e) Research and Development Expenditure

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

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

(f) Cash and Cash Equivalent

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

(g) Finance Cost

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

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

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

(h) Inventories

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

Costs of inventories are determined on weighted average basis.

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

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

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

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

(j) Provisions

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

Notes to the Financial Statements for the year ended 31st March, 2020

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

(k) Contingent Liabilities

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

(l) Employee Benefits Expense

Short Term Employee Benefits

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

Post-Employment Benefits

Defined Contribution Plans

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

Defined Benefit Plans

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

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

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

(m) Tax Expenses

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

i) Current Tax

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

ii) Deferred Tax

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

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

Notes to the Financial Statements for the year ended 31st March, 2020

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

(n) Share Based Payments

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

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company‘s estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Staement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

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

(o) Foreign Currencies Transactions and Translation

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

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

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

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.

(p) Revenue Recognition

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

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

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

Notes to the Financial Statements for the year ended 31st March, 2020

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

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

Contract balances

Trade receivables

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

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Interest Income

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

Dividend Income

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

(q) Financial Instruments

i) Financial Assets

A. Initial Recognition and Measurement

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

B. Subsequent Measurement

a) Financial Assets Measured at Amortised Cost (AC)

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

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

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

Notes to the Financial Statements for the year ended 31st March, 2020

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

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

Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

C. Other Equity Investments

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

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:

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

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

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

ii) Financial Liabilities

A. Initial Recognition And Measurement

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

B. Subsequent Measurement

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

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

iii) Derivative Financial Instruments

The company uses various derivative financial instruments such as currency forwards and commodity contracts to mitigate the risk of changes in exchange rates and commodity prices. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. Derivatives are carried as Financial Assets when the fair value is positive and as Financial Liabilities when the fair value is negative.

Notes to the Financial Statements for the year ended 31st March, 2020

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

iv) Derecognition of Financial Instruments

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

v) Offsetting

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

(r) Earnings per share

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

C. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

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

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

b) Recoverability of Trade Receivable

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

c) Provisions

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

Notes to the Financial Statements for the year ended 31st March, 2020

d) Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

e) Impairment of Financial Assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

f) 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.

g) Fair Value Measurement

For estimates relating to fair value of financial instruments refer Note no. 27 of financial statements.

h) Estimation Uncertainity Relating to the Global Health Pandemic on Covid 19

The impact of COVID - 19 on the business operations for the Company for the current year 2019-20 is not significant as those were continuing normally until the nationwide lockdown near the end of the year. Management has performed the assessment of the effect of COVID -19 on the recoverability of the value of assets as at the end of the year and liquidity position as well as business activities in the foreseeable future. Based on the assessment, presently there are no significant concerns regarding recoverability of the value of the assets as well as on liquidity and continuity of the business. The impact of COVID - 19 may be different from that estimated as at the date of approval of these financial statements and the Company will continue to monitor any material changes to future economic conditions.

Notes to the Financial Statements for the year ended 31st March, 2020

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

₹ crore

Description	Gross Block			Gross Block				Depreciation/ Amortisation							Net Block		
	As at 1st April, 2018	Additions	Deductions/ Adjustments	As at 1st April, 2019	Additions/ Adjustments*	Deductions/ Adjustments	As at 31st March, 2020	As at 1st April, 2018	For 2018-19	Deductions/ Adjustments	As at 1st April, 2019	For the year	Deductions/ Adjustments	**As at 31st March, 2020**	**As at 31st March, 2020**	As at 31st March, 2019	As at 1st April, 2018
Property, Plant and Equipment																	
Own assets:																	
Freehold land	3.06	0.47	-	3.53	103.82	1.39	105.96	-	-	-	-	-	-	-	105.96	3.53	3.06
Buildings	22.62	1.83	-	24.45	103.07	2.09	125.43	12.07	0.49	-	12.56	0.79	1.65	11.70	113.73	11.89	10.55
Plant and machinery	15.29	2.03	-	17.32	0.52	-	17.84	10.59	0.82	-	11.41	0.93	-	12.36	5.48	5.91	4.70
Electrical installations	7.63	0.19	-	7.82	0.41	-	8.23	6.08	0.41	-	6.49	0.43	-	6.92	1.31	1.33	1.55
Furniture and fixtures	32.38	0.54	-	32.92	0.25	-	33.17	19.98	1.59	-	21.57	1.56	-	23.13	10.04	11.35	12.40
Vehicles	6.97	0.15	-	7.12	-	1.15	5.97	5.82	0.28	-	6.10	0.19	0.82	5.47	0.52	1.02	1.15
Total	87.95	5.21	-	93.16	208.07	4.63	296.60	54.54	3.59	-	58.13	3.90	2.47	59.58	237.04	35.03	33.41
Previous year	83.21	4.74	-	87.95	5.21	-	93.16	51.03	3.51	-	54.54	3.59	-	58.13	35.03	33.41	32.18
Capital work-in-progress															-	0.03	-

* Includes revalued amount

Notes to the Financial Statements for the year ended 31st March, 2020

₹ crore

2.	Deferred Tax Assets (Net)	**As at 31st March, 2020**	As at 31st March, 2019	As at 1st April 2018
	The movement on the deferred tax account is as follows:			
	At the start of the year	**2.30**	2.29	2.22
	Charge to profit or loss	**(2.28)**	0.01	0.07
	At the end of year	**0.02**	2.30	2.29

Component of Deferred tax Assets / (liabilities)

₹ crore

Particulars	As at 31st March, 2019	Charge / (credit) to Statement of profit or loss	**As at 31st March, 2020**
Deferred tax asset in relation to:			
Property, plant and equipment	2.30	2.28	**0.02**
	2.30	2.28	**0.02**

₹ crore

Particulars	As at 31st March, 2018	Charge / (Credit) to Statement of profit or loss	**As at 31st March, 2019**
Deferred tax asset in relation to:			
Property, plant and equipment	2.22	(0.07)	**2.29**
	2.22	(0.07)	**2.29**

₹ crore

3.	**Other Non-Current Assets** *(unsecured and considered good)*	**As at 31st March, 2020**	As at 31st March, 2019	As at 1st April, 2018
	Capital Advances	**-**	0.93	-
	Deposits [(i)]	**0.66**	0.61	0.61
	Advance Income Tax (Net of provision) [(ii)]	**0.79**	(0.03)	0.55
	Total	**1.45**	1.51	1.16

(i) Deposits Given to Statutory Authorities

₹ crore

(ii)	**Advance Income Tax (Net of Provision)**	**As at 31st March, 2020**	As at 31st March, 2019	As at 1st April, 2018
	At start of year	**(0.03)**	0.55	
	Charge for the year - Current Tax	**-**	(0.95)	
	Tax paid (Net) during the year	**0.82**	0.37	
	At end of year	**0.79**	(0.03)	0.55

₹ crore

4.	**Inventories** *(valued at lower of cost or net realisable value)*	**As at 31st March, 2020**	As at 31st March, 2019	As at 1st April, 2018
	Stock-in-trade	**51.39**	111.75	113.73
	Total	**51.39**	111.75	113.73

Notes to the Financial Statements for the year ended 31st March, 2020

₹ crore

5.	**Trade Receivables** *(unsecured and considered good)*	**As at 31st March, 2020**	As at 31st March, 2019	As at 1st April, 2018
	Trade Receivables	**3.53**	5.89	7.97
	Total	**3.53**	5.89	7.97

₹ crore

6.	**Cash and Cash Equivalents**	**As at 31st March, 2020**	As at 31st March, 2019	As at 1st April, 2018
	Cash on Hand	**0.63**	9.07	10.38
	Balances with Banks	**27.10**	0.28	0.77
	Cash and cash Equivalents as per Balance Sheet / Statement of Cash Flows	**27.73**	9.35	11.15

₹ crore

7.	**Other Financial Assets - Current**	**As at 31st March, 2020**	As at 31st March, 2019	As at 1st April, 2018
	Deposits	**6.48**	5.77	6.02
	Total	**6.48**	5.77	6.02

₹ crore

8.	**Other Current Assets** *(unsecured and considered good)*	**As at 31st March, 2020**	As at 31st March, 2019	As at 1st April, 2018
	Balance with Customs, Central Excise, GST and State Authorities, etc.	**0.18**	2.00	2.00
	Others	**-**	0.14	0.18
	Total	**0.18**	2.14	2.18

₹ crore

9.	**Share capital**	**As at 31st March, 2020**	As at 31st March, 2019	As at 1st April, 2018
	Authorised Share Capital			
	1,000,000 Equity shares of ₹ 100 each (1,000,000)	**10.00**	10.00	10.00
	Total	**10.00**	10.00	10.00
	Issued, Subscribed and Paid up:			
	849,267 Equity shares of ₹ 100 each fully paid up (786,191)	**8.49**	7.86	7.86
	Total	**8.49**	7.86	7.86

(i) Out of the above, 8,49,267 (previous year Nil) equity shares of ₹ 100 each fully paid-up are held by Reliance Retail Ventures Limited, the Holding Company, along with its nominees.

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

Name of the Shareholders	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Reliance Retail ventures Limited	**849,267**	**100**	-	-	-	-
T. Thanushgaran	-	-	689,010	87.64	308,390	39.23
T. Jayaseeli	-	-	39,310	5.00	350,091	44.53
T. Thanushgaran (HUF)	-	-	57,871	7.36	57,871	7.36
	849,267	**100**	786,191	100.00	716,352	91.12

Notes to the Financial Statements for the year ended 31st March, 2020

iii) The reconciliation of 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	As at 1st April, 2018 No. of Shares
Equity shares at the beginning of the year	**786,191**	786,191	786,191
Add: Equity shares issued during the year	**63,076**	-	-
Equity shares at the end of the year	**849,267**	786,191	786,191

(iv) The Company has only one class of equity shares having par value of ₹ 100 per share. Each holder of equity shares is entitled to one vote per share.

₹ crore

10. Other Equity		As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018
General Reserve	**36.16**		36.16		36.16	
As per last Balance Sheet		**36.16**		36.16		36.16
Securities Premium						
As per last Balance Sheet	**-**		-		-	
Add: During the year	**11.61**		-		-	
		11.61		-		-
Retained Earnings						
As per last Balance Sheet	**2.11**		1.76		1.50	
Add: Profit for the year	**(80.49)**		0.35		0.26	
		(78.38)		2.11		1.76
Other Comprehensive Income (OCI)						
As per last Balance Sheet	**-**		-		-	
Add: Movement in OCI (Net) during the year	**(0.29)**		-		-	
		(0.29)		-		-
Revaluation Reserve						
As per last Balance sheet						
Add: During the year	**188.94**		-		-	
		188.94		-		-
Total		**158.04**		38.27		37.92

₹ crore

11. Borrowings - Non Current	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Secured - At amortised Cost			
Term loan from Banks			
From Banks	**-**	17.20	19.35
Unsecured - At amortised Cost			
Loans and advances from related parties [Refer Note 28]	**92.18**	1.02	0.2
Total	**92.18**	18.22	19.55

11.1 Refer Note 27 for maturity profile

₹ crore

12. Provisions - Non Current	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Provision for employee benefits (i)	**2.84**	2.02	-
Total	**2.84**	2.02	-

(i) The provision for Employee Benefit includes gratuity

Notes to the Financial Statements for the year ended 31st March, 2020

₹ crore

13.	Borrowings - Current	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Secured - At amortised Cost			
	Working Capital Loan			
	From Banks	-	58.68	59.57
	Total	-	58.68	59.57

13.1 Refer Note 27 for maturity profile

₹ crore

14.	Trade Payables Due to	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Micro and Small Enterprises*	-	-	-
	Others	**57.68**	44.73	50.47
	Total	**57.68**	44.73	50.47

* There are no overdue amounts to Micro, Small and medium Enterprises as at March 31, 2020

₹ crore

15.	Other Financial Liabilities - Current	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Interest Accrued but not due on Borrowings	**0.58**	-	-
		0.58	-	-

₹ crore

16.	Provisions - Current	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Provision for income tax	-	-	-
	Provision for employee benefits	**0.54**	0.42	2.00
	Total	**0.54**	0.42	2.00

₹ crore

17.	Other Current Liabilities	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Other Payables [(i)]	**7.47**	3.57	0.54
		7.47	3.57	0.54

[(i)] Includes Statutory Dues and Advances from Customers.

₹ crore

18.	Other Income	2019-20	2018-19
	Interest		
	Bank Deposits	**0.04**	-
	Other Non-Operating Income	**0.02**	0.12
	Total	**0.06**	0.12

₹ crore

19.	Changes in Inventories of Finished Goods and Stock-in-Trade	2019-20		2018-19	
	Inventories (at close)				
	Stock-in-trade	**51.39**		111.75	
			51.39		111.75
	Inventories (at commencement)				
	Stock-in-trade	**111.75**		113.73	
			111.75		113.73
	Total		**60.36**		1.98

Notes to the Financial Statements for the year ended 31st March, 2020

₹ crore

20.	Employee Benefits Expense	2019-20	2018-19
	Salaries and Wages	**17.67**	14.72
	Contribution to Provident Fund and Other Funds	**2.64**	3.59
	Staff Welfare Expenses	**0.61**	0.22
	Total	**20.92**	18.53

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

Defined Contribution Plan

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

₹ crore

Particulars	2019-20	2018-19
Employer's Contribution to Provident Fund	**0.42**	0.29
Employer's Contribution to Superannuation Fund	**-**	0.09
Employer's Contribution to Pension Scheme	**1.06**	0.74

Defined benefit plan

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

₹ crore

Particulars	Gratuity (unfunded)	
	2019-20	2018-19
Defined Benefit Obligation at beginning of the year	**2.44**	-
Current Service cost	**0.46**	2.44
Interest Cost	**0.20**	-
Actuarial (Gain)/ Loss	**0.29**	-
Benefits Paid	**-**	-
Defined Benefit Obligation end of the year	**3.38**	2.44

II. Reconciliation of fair value of Assets and Obligations

₹ crore

Particulars	Gratuity (unfunded)	
	2019-20	2018-19
Present Value of Obligation	**3.38**	2.44
Amount recognised in Balance Sheet (Surplus/ Deficit)	**3.38**	2.44

III. Expenses recognised during the year

₹ crore

Particulars	Gratuity (unfunded)	
	2019-20	2018-19
In Income Statement		
Current Service Cost	**0.46**	2.44
Interest Cost	**0.20**	0.00
Return on Plan Assets	**-**	-
Net Cost	**0.66**	2.44
In Other Comprehensive Income		
Actuarial (Gain)/ Loss	**0.29**	-
Return on Plan Assets	**-**	-
Net (Income)/ Expense For the period Recognised in OCI	**0.29**	-

Notes to the Financial Statements for the year ended 31st March, 2020

IV. Actuarial assumptions

Particulars	Gratuity (unfunded)	
	2019-20	2018-19
Mortality Table (IALM)	**2006-08 (Ultimate)**	2006-08 (Ultimate)
Discount Rate (per annum)	**6.84%**	8.00%
Rate of Escalation in Salary (per annum)	**6.00%**	6.00%
Rate of Employee turnover (per annum)	**2.00%**	2.00%

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

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.

V. The expected contributions for Defined Benefit Plan for the next financial year will be in line with Financial year 2019-20

VI. Sensitivity Analysis

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

₹ crore

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Decrease	**Increase**	Decrease	Increase
Change in rate of discounting (delta effect of +/- 0.5%)	**0.23**	**0.21**	0.16	0.14
Change in rate of salary increase (delta effect of +/- 0.5%)	**0.21**	**0.23**	0.15	0.16
Change in rate of employee turnover (delta effect of +/- 0.5%)	**0.01**	**0.01**	0.03	0.03

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

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

₹ crore

21. Finance Costs	**2019-20**	2018-19
Interest Expenses	**7.18**	7.01
Total	**7.18**	7.01

Notes to the Financial Statements for the year ended 31st March, 2020

₹ crore

22.	Other Expenses	2019-20		2018-19	
	Selling and distribution expenses				
	Sales promotion and advertisement expenses	**0.88**		1.08	
	Store running expenses	**1.00**		-	
	Warehousing and distribution expenses	**-**		0.02	
			1.88		1.10
	Establishment expenses				
	Stores and packing materials	**1.18**		2.61	
	Machinery repairs	**-**		-	
	Building repairs and maintenance	**1.33**		1.31	
	Other repairs	**0.76**		0.81	
	Rent	**8.76**		7.96	
	Operating Lease Expenses	**-**		-	
	Insurance	**0.42**		0.47	
	Rates and taxes	**1.56**		0.25	
	Travelling and conveyance expenses	**0.34**		0.23	
	Professional fees	**0.18**		0.07	
	Loss on sale/ discarding of assets (net)	**(4.33)**		-	
	Exchange differences (net)	**-**		-	
	Electricity expenses	**5.80**		6.27	
	Hire charges	**-**			
	Charity and donation	**0.11**		-	
	General expenses	**2.80**		2.56	
			18.91		22.54
	Payments to auditor				
	Statutory Audit fees	**0.02**		0.03	
	Tax audit fees	**0.01**		-	
	Certification and consultation fees	**-**		-	
	Cost audit fees	**-**		-	
			0.03		0.03
	Total		**20.82**		23.67

22.1 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 ₹ 0.11 crore (previous year Nil crore).

Expenditure related to Corporate Social Responsibility is 0.11 Crore (previous year Nil crore). Details of Amount spent towards CSR given below:

(b) The details of amount spent towards CSR given below:

₹ crore

Particulars	2019-20	2018-19
Education	**0.11**	
Total	**0.11**	-

(c) Out of the note (b) above ₹ 0.11 crore (previous year Nil) contributed to Reliance Foundation

Notes to the Financial Statements for the year ended 31st March, 2020

₹ crore

23. Taxation	**As at 31st March, 2020**	As at 31st March, 2019
Income Tax recognised in the statement of Profit & Loss		
Current tax	0.10	2.05
Deferred tax	2.28	(0.01)
Total income tax expenses recognised in the current year	**2.38**	2.04
The income tax expenses for the year can be reconciled to the accounting profit as follows:		
Profit before tax	(78.11)	4.06
Applicable Tax rate	25.17%	33.38%
Computed tax expenses	**(19.66)**	**1.35**
Tax Effect of:		
Carry forward losses utilised	**19.57**	(1.35)
Exempted Income	-	
Prior Period Adjustment	0.10	0.55
Expenses Disallowed	1.06	0.63
Additional Allowances	(0.96)	(1.20)
MAT Credit	-	2.05
Current Tax Provision (A)	**0.10**	**2.04**
Incremental Deferred Tax Liability on account of PPE & Intangible Assets	2.28	-
Incremental Deferred Tax Liability on account of Financial Assets & Other items	-	-
Deferred Tax Provision (B)	**2.28**	**-**
Tax Expenses recognised in Statement of Profit and Loss (A+B)	**2.38**	**2.04**
Effective Tax Rate	-3.0%	50.16%

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

25. Earnings per share (EPS)	**2019-20**	2018-19
Face Value per Equity Share (₹)	**100.00**	100.00
Basic Earnings per Share (₹) *	**(1,023.57)**	4.45
Net profit/ (loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in crore)	**(80.49)**	0.35
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	**786,363**	786,191

26. Capital Management

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

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

The Company monitors capital using a Gearing Ratio, which is Net Debt divided by Equity.

Notes to the Financial Statements for the year ended 31st March, 2020

The Company includes within Net debt, interest bearing Loans and Borrowings, less Cash & Cash Equivalents.

Net Gearing Ratio

The Net Gearing Ratio at end of the reporting period was as follows.

₹ crore

Particulars	**As at 31st March, 2020**	As at 31st March, 2019	As at 1st April 2018
Gross Debt	**92.18**	76.90	79.12
Cash and Marketable Securities	**27.73**	9.35	11.15
Net Debt (A)	**64.45**	67.55	67.97
Total Equity (As per Balance Sheet) (B)	**166.53**	46.13	45.78
Net Gearing Ratio (A/B)	**0.39**	1.46	1.48

Cash & Marketable Securities include cash and equivalents of ₹ 27.73 crore (31 March 2019: ₹ 9.35 crore,1 st April 2018 ₹ 11.15 crore)

27. Financial Instruments

Valuation Methodology

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

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

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

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

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

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

Fair value measurement hierarchy: ₹ crore

Particulars	As at 31st March, 2020				As at 31st March, 2019				As at 31st March, 2018			
	Carrying Amount	Level of input used in			Carrying Amount	Level of input used in			Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets												
At Amortised Cost												
Trade Receivables	**3.53**	-	-		5.89	-		-	7.97	-		-
Cash and Cash Equivalents	**27.73**	-	-		9.35	-		-	11.15	-		-
Loans	**-**	-	-		-	-		-	-	-		-
Other Financial Assets	**6.48**	-	-		5.77	-		-	6.02	-		-
Financial Liabilities												
At Amortised Cost												
Borrowings	**92.18**		-		76.90	-		-	79.12	-		-
Trade Payables	**57.68**		-		44.73	-		-	50.47	-		-
Other Financial Liabilities	**0.58**				-	-		-	-	-		-

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

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

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

Level 3: Inputs based on unobservable market data.

Notes to the Financial Statements for the year ended 31st March, 2020

Foreign Currency Risk

There is no Foreign currency Risk Exposure

Interest Rate Risk

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

₹ crore

Particulars	As at 31st March, 2020	As at 31st March, 2019
Borrowings - Current	**92.18**	76.90
Total	**92.18**	76.90

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit risk arises from Company's activities in investments, dealing in derivatives and receivables from customers. The company ensure that sales of products are made to customers with appropriate creditworthiness. Investment and other market exposures are managed against counterparty exposure limits. Credit information is regularly shared between businesses and finance function, with a framework in place to quickly identify and respond to cases of credit deterioration.

The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Credit risk is actively managed through Letters of Credit, Bank Guarantees, Parent Company Guarantees, advance payments and factoring & forfeiting without recourse to the Company. The company restricts its fixed income investments in liquid securities carrying high credit rating.

Liquidity Risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on the due date. The Company maintains sufficient stock of cash, marketable securities and committed credit facilities. The company accesses global and local financial markets to meet its liquidity requirements. It uses a range of products to ensure efficient funding from across well-diversified markets. Treasury monitors rolling forecasts of the Company's cash flow position and ensures that the Company is able to meet its financial obligation at all times including contingencies.

The Company's liquidity is managed by central treasury which identifies that cash surpluses and arranges to either fund the net deficit or invest the net surplus in a range of short-dated, secure and liquid instruments including short-term bank deposits and similar instruments. The portfolio of these investments is diversified to avoid concentration risk in any one instrument or counterparty.

Maturity Profile as at 31 March, 2020

₹ crore

Particulars	Below 3 months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	Grand Total
Borrowing							
Non-Current	-	-	-	-	92.18	-	92.18
Current	-	-	-	-	-	-	-
Total Borrowings	**-**	**-**	**-**	**-**	**92.18**	**-**	**92.18**

Maturity Profile as at 31 March, 2019

₹ crore

Particulars	Below 3 months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	Grand Total
Borrowing							
Non-Current	-	-	-	18.22	-	-	18.22
Current	58.68	-	-	-	-	-	58.68
Total Borrowings	**58.68**	**-**	**-**	**18.22**	**-**	**-**	**76.90**

Notes to the Financial Statements for the year ended 31st March, 2020

28. Related Parties Disclosures

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

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

Sr. No.	Name of the related party	Relationship
1	Reliance Industries Limited*	Ultimate holding company
2	Reliance Retail Ventures Limited*	Holding company
3	Reliance Retail Limited*	Fellow Subsidiaries
4	Reliance SMSL Limited *	Fellow Subsidiaries
5	Mr. T Thanushagran*	Key managerial personnel/ Director
6	Kannan Agro Farm*	Enterprises over which Key managerial personnel/ Director are able to exercise significant influence
7	Lifestyle*	
8	Shree Kannan Stores*	
9	Kannan Agro Foods*	
10	Shri Kannan Enterprises*	
11	Ms Jayaseeli*	Key managerial personnel

* Includes related parties where the relationship existed for the part of the year.

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

₹ crore

Sr. No.	Nature of transactions	Ultimate holding company	Holding company	Fellow subsidiaries	Enterprises over which Key Managerial Personnel/ Director are able to exercise significant influence	Key Managerial Personnel/ Director	Total
1	Additional Investment in Share Capital #	- -	**12.24** -	- -	- -	- -	**12.24** -
2	Net unsecured loans taken/ (repaid)	- -	- -	**92.18** -	- -	- -	**92.18** -
3	Purchase of Property Plant & Equipment / Project materials	- -	- -	- -	- -	**12.89** -	- -
4	Sale of Property Plant & Equipment	- -	- -	- -	**0.28** -	**5.49** -	**0.28** -
5	Revenue from operations	- -	- -	- -	**0.84** *3.05*	- -	**0.84** *3.05*
6	Purchases	- -	- -	**1.46** -	**23.90** *25.96*	- -	**25.36** *25.96*
7	Expenditure						
	a. Interest cost	- -	- -	**0.64** -	- -	- -	**0.64** -
	b. Store running expenses	- -	- -	**1.18** -	- -	- -	**1.18** -
8	Payment to key Managerial personnel/Director	- -	- -	- -	- -	**0.25** *0.27*	**0.25** *0.27*

Notes to the Financial Statements for the year ended 31st March, 2020

₹ crore

Sr. No.	Nature of transactions	Ultimate holding company	Holding company	Fellow subsidiaries	Enterprises over which Key Managerial Personnel/ Director are able to exercise significant influence	Key Managerial Personnel/ Director	Total
Balance as at 31st March, 2020							
1	Equity Share Capital	- *-*	**8.49** *-*	- *-*	- *-*	- *-*	**8.49** *-*
2	Long term borrowing	- *-*	- *-*	**92.18** *-*	- *-*	- *-*	**92.18** *-*
3	Trade Receivables	- *-*	- *-*	- *-*	**2.67** *-*	- *-*	**2.67** *-*
4	Other Current liabilities	- *-*	- *-*	**5.00** *-*	- *-*	- *-*	**5.00** *-*
5	Other Financial liability	- *-*	- *-*	**0.58** *-*	- *-*	- *-*	**0.58** *-*
6	Trade payables	- *-*	- *-*	**3.17** *-*	**4.27** *-*	- *-*	**7.44** *-*

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

[#] Including Securities Premium.

(iii) Disclosure in respect of major related party transactions during the year:

₹ crore

Sr. No.	Particulars	Relationship	2019-20	2018-19
1	**Additional Investment in Share Capital**			
	Reliance Retail Ventures Limited*	Holding Company	**12.24**	-
2	**Net unsecured loans taken/ (repaid)**			
	Reliance Retail Limited*	Fellow Subsidiary	**92.18**	-
3	**Purchase of Property Plant & Equipment / Project materials**			
	Mr. T Thanushagran*	Key Managerial Personnel /Director	**12.89**	-
4	**Sale of Property Plant & Equipment**			
	Mr. T Thanushagran*	Key Managerial Personnel /Director	**5.49**	-
	Shree Kannan Stores*	Enterprises over which Key Managerial Personnel are able to exercise significant influence	**0.28**	-
5	**Revenue from operations**			
	Kannan Agro Farms*	Enterprises over which Key Managerial Personnel/Director are able to exercise significant influence	**0.04**	0.04
	Lifestyle*	Enterprises over which Key Managerial Personnel/Director are able to exercise significant influence	**-**	-

Notes to the Financial Statements for the year ended 31st March, 2020

₹ crore

Sr. No.	Particulars	Relationship	2019-20	2018-19
	Shree Kannan Stores*	Enterprises over which Key Managerial Personnel/Director are able to exercise significant influence	**0.74**	1.03
	Kannan Agro Foods*	Enterprises over which Key Managerial Personnel/Director are able to exercise significant influence	**0.06**	1.97
	Sri Kannan Enterprises*	Enterprises over which Key Managerial Personnel/Director are able to exercise significant influence	**0.01**	-
6	**Purchases**			
	Reliance Retail Limited*	Fellow Subsidiary	**1.46**	-
	Kannan Agro Farms*	Enterprises over which Key Managerial Personnel/Director are able to exercise significant influence	**0.13**	0.14
	Lifestyle*	Enterprises over which Key Managerial Personnel/Director are able to exercise significant influence	**1.65**	1.96
	Shree Kannan Stores*	Enterprises over which Key Managerial Personnel/Director are able to exercise significant influence	**20.64**	23.84
	Kannan Agro Foods*	Enterprises over which Key Managerial Personnel/Director are able to exercise significant influence	**1.47**	0.03
7	**Expenditure**			
	a. **Interest cost**			
	Reliance Retail Limited*	Fellow Subsidiary	**0.64**	-
	b. **Store running expenses**			
	Reliance SMSL Limited*	Fellow Subsidiary	**1.18**	
8	**Payment to key Managerial personnel/Director**			
	Mr. T Thanushagran*	Key Managerial personnel/Director	**0.19**	0.21
	Ms. Jayaseeli*	Key Managerial personnel	**0.06**	0.06

* Includes related parties where the relationship existed for the part of the year.

₹ crore

		2019-20	2018-19
28.1	**Compensation of Key Managerial Personnel**	**2019-20**	2018-19
i	Employee benefits	**0.25**	0.27
	Total	**0.25**	**0.27**

Notes to the Financial Statements for the year ended 31st March, 2020

29. **First time Ind AS adoption reconciliations**

29.1 **Effect of Ind AS adoption on the standalone balance sheet as at 31st March, 2019 and 1st April, 2018** ₹ crore

Particulars	As at 31st March, 2019			As at 1st April, 2018		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Assets						
Non-current assets						
Property, Plant and Equipment	35.03	-	35.03	33.41	-	33.41
Capital Work-in-Progress	0.03	-	0.03	-	-	-
Intangible Assets	-	-	-	-	-	-
Financial Assets						
Investments	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Deferred tax assets (Net)	2.30	-	2.30	2.29	-	2.29
Other Non-current assets	1.51	-	1.51	1.16	-	1.16
Total Non Current assets	**38.87**	**-**	**38.87**	**36.86**	**-**	**36.86**
Current assets						
Inventories	1 11.75	-	1 11.75	1 13.73	-	1 13.73
Financial Assets						
Investments	-	-	-	-	-	-
Trade receivables	5.89	-	5.89	7.97	-	7.97
Cash and cash equivalents	9.35	-	9.35	11.15	-	11.15
Other Financial Assets	5.77	-	5.77	6.02	-	6.02
Other Current Assets	2.14	-	2.14	2.18	-	2.18
Total Current assets	**1 34.90**	**-**	**1 34.90**	**1 41.05**	**-**	**1 41.05**
Total Assets	**1 73.77**	**-**	**1 73.77**	**1 77.91**	**-**	**1 77.91**
EQUITY AND LIABILITIES						
Equity						
Equity Share capital	7.86	-	7.86	7.86	-	7.86
Other Equity	39.95	(1.68)	38.27	37.92	-	37.92
Total equity	**47.81**	**(1.68)**	**46.13**	**45.78**	**-**	**45.78**
Liabilities						
Non-current liabilities						
Financial Liabilities						
Borrowings	76.90	-	76.90	79.12	-	79.12
Other Liabilities	-	-	-	-	-	-
Provisions	0.34	1.68	2.02	-	-	
Total non-current liabilities	**77.24**	**1.68**	**78.92**	**79.12**	**-**	**79.12**
Current liabilities						
Financial Liabilities						
Place: Trade payables	44.73	-	44.73	50.47	-	50.47
Other Financial Liabilities	-	-	-	-	-	-
Other Current Liabilities	3.57	-	3.57	0.54	-	0.54
Provisions	0.42	-	0.42	2.00	-	2.00
Total current liabilities	**48.72**	**-**	**48.72**	**53.01**	**-**	**53.01**
Total Liabilities	**1 25.96**	**1.68**	**1 27.64**	**1 32.13**	**-**	**1 32.13**
Total equity and liabilities	**1 73.77**	**-**	**1 73.77**	**1 77.91**	**-**	**1 77.91**

Notes to the Financial Statements for the year ended 31st March, 2020

29.2 Effect of Ind AS adoption on the statement of profit and loss for the year ended 31st March, 2020

₹ crore

Particulars	Year ended 31st March, 2019 Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
INCOME			
Revenue from operations	**4 15.33**	**-**	**4 15.33**
Other Income	**0.12**	-	0.12
Total Income	**4 15.45**	**-**	**4 15.45**
EXPENDITURE			
Purchase of Stock-in-Trade	3 58.28	-	3 58.28
Changes in Inventories of Stock-in-Trade	1.98	-	1.98
Employee Benefits Expense	16.85	1.68	18.53
Finance Costs	7.01	-	7.01
Depreciation and Amortisation Expense	3.59	-	3.59
Other Expenses	23.67	-	23.67
Total Expenses	**411.38**	**1.68**	**413.06**
Profit Before Tax	**4.07**	**(1.68)**	**2.39**
Tax Expenses			
Deferred Tax	**2.04**	**-**	**2.04**
Profit for the Year	**2.03**	**(1.68)**	**0.35**

29.3 Reconciliation of Other Equity between Ind AS and Previous GAAP

₹ crore

Sr. No.	Nature of adjustments	Notes	Year ended 31st March, 2019	As at 31st March, 2019	As at 1st April, 2018
	Net Profit / Other Equity as per Previous Indian GAAP		**2.03**	**39.95**	**37.92**
1	Employee benefit expenses*	A	(1.68)	(1.68)	-
	Total		(1.68)	(1.68)	-
	Net profit before OCI / Other Equity as per Ind AS		**0.35**	**38.27**	**37.92**

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

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

31. The Financial Statements were approved for issue by the Board of Directors on 28th April, 2020.

As per our Report of even date

For **S. Kanakasabapathy FCA**
Chartered Accountants
FRN: 019248

S Kanakasabapathy
Propreitor
Membership No: 019248

Place: Chennai
Dated: 28th April 2020

For and on behalf of the Board

T Thanushgaran
Director

Ashok Kumar R S
Director

Shivram Murti
Director

Radhika Disale
Director

Jinal Jain
Company Secretary