

RELIANCE RETAIL LIMITED
Annual Report
2019-20

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Company Information

Board of Directors

V. Subramaniam	<i>Whole- Time Director</i>
Pankaj Pawar	<i>Non-Executive Chairman</i>
Sanjay Jog	<i>Non-Executive Director</i>
Ranjit V. Pandit	<i>Non-Executive Director</i>
Dipak C. Jain	<i>Non-Executive Director</i>
K. Sudarshan	<i>Non-Executive Director</i>
Geeta Fulwadaya	<i>Non- Executive Director</i>

Audit Committee

Ranjit V. Pandit	<i>Chairman</i>
K. Sudarshan	
Pankaj Pawar	

Nomination and Remuneration Committee

Ranjit V. Pandit	<i>Chairman</i>
K. Sudarshan	
Pankaj Pawar	
Sanjay Jog	

Stakeholders Relationship Committee

Sanjay Jog	<i>Chairman</i>
Pankaj Pawar	
K. Sudarshan	

Corporate Social Responsibility Committee

Ranjit V. Pandit	<i>Chairman</i>
K. Sudarshan	
Pankaj Pawar	
Sanjay Jog	

Compliance Committee

V. Subramaniam	<i>Chairman</i>
Sanjay Jog	
Geeta Fulwadaya	

Company Secretary & Compliance Officer

Sridhar Kothandaraman

Chief Financial Officer

Dinesh Thapar (w.e.f. July 17, 2019)
Ashwin Khasgiwala (up to July 8, 2019)

Auditors

M/s. Deloitte Haskins & Sells LLP
M/s. DTS & Associates LLP

Bankers

State Bank of India
HDFC Bank Limited
ICICI Bank Limited
Axis Bank Limited
Kotak Mahindra Bank Limited

Registered Office

3rd Floor, Court House,
Lokmanya Tilak Marg, Dhobi Talao
Mumbai – 400002
CIN : U01100MH1999PLC120563
Website : www.relianceretail.com
Email: retail.secretarial@ril.com
Tel.: +91 22 3555 3800

Share Transfer Agent

KFin Technologies Private Limited
(Formerly known as Karvy Fintech Private Limited)
Selenium Tower B, Plot 31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad – 500 032.
Website : www.kfintech.com
Email: rlinvestor@kfintech.com
Tel. : + 91 40 6716 1700
Fax : + 91 40 6716 1680

NOTICE

Notice is hereby given that the Twenty-first Annual General Meeting of the members of Reliance Retail Limited will be held on Wednesday, September 30, 2020 at 11:00 a.m. IST through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”), to transact the following business:

Ordinary Business

1. To consider and adopt (a) the audited financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2020 and the report of the Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolutions**:
 - (a) **“RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”
 - (b) **“RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2020 and the report of the Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”
2. To appoint Shri V. Subramaniam, who retires by rotation as a Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the the provisions of Section 152 and other applicable provisions
3. To appoint Shri Pankaj Pawar, who retires by rotation as a Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Shri Pankaj Pawar (DIN: 00085077), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company.”

of the Companies Act, 2013, Shri V. Subramaniam (DIN: 00009621), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company.”

By order of the Board of Directors

K.Sridhar
Company Secretary

Mumbai, September 5, 2020

Registered Office:

3rd Floor, Court House, Lokmanya Tilak Marg
Dhobi Talao, Mumbai- 400 002
CIN: U01100MH1999PLC120563
Website: www.relianceretail.com
Email: retail.secretarial@ril.com
Tel.: +91 22 3555 3800

Notes:

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted convening the Annual General Meeting (“AGM”/“Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the physical presence of the members at a common venue. In accordance with the MCA Circulars and provisions of the Companies Act, 2013 (“the Act”), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Generally, a member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
3. Since the AGM will be held through VC / OAVM, the route map of the venue of the Meeting is not annexed hereto.
4. In terms of Section 152 of the Act, Shri V. Subramaniam and Shri Pankaj Pawar, Directors retire by rotation at the Meeting. The Nomination and Remuneration Committee and the Board of Directors of the Company commend their respective re-appointments. Brief profile of Shri V. Subramaniam and Shri Pankaj Pawar and other requisite details are annexed to the Notice, pursuant to the provisions of the Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India and approved by the Central Government.
Shri V. Subramaniam and Shri Pankaj Pawar are interested in the Ordinary Resolutions set out at Item Nos. 2 and 3, respectively, of the Notice with regard to their re-appointment. The relatives of Shri V. Subramaniam and Shri Pankaj Pawar may be deemed to be interested in the Ordinary Resolutions set out at Item Nos. 2 and 3, to the extent of their shareholding interest if any, in the Company. Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Items Nos. 1 to 3 of the Notice.

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

5. In compliance with the MCA Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only

through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company’s website www.relianceretail.com, and on the website of Company’s Registrar and Transfer Agent, KFin Technologies Private Limited (“KFinTech”) at <https://evoting.kfintech.com>.

6. For receiving all communication (including Annual Report) from the Company electronically:
 - (a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at retail.secretarial@ril.com or to KFinTech at rrlinvestor@kfintech.com.
 - (b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

7. The Company will provide VC / OAVM facility to its members for participating at the AGM.
 - a) **Members will be able to attend the AGM through VC / OAVM by using their e-voting login credentials.**

Members are requested to follow the procedure given below:

OPTION 1

- i. Launch internet browser (Edge 44+, Firefox78+, Chrome 83+, Safari 13+) by typing the URL <https://jiomeet.jio.com/rrlagm>
- ii. Select “Shareholders” option on the screen
- iii. Enter the login credentials
User ID: For demat shareholders: 16 digit DPID+Client ID is your User ID
(DP ID and Client ID to be typed continuously)
For e.g. IN12345612345678 (NSDL)
1402345612345678 (CDSL)

(Client ID is the last 8 digits of your demat account number as per your account statement / contract note / delivery instruction slip / email sent by the Company); or

For holders of shares in physical form: Event Number+your Folio No. is your USER ID (to be typed continuously)

Password: Enter your password for e-voting sent by the Company through e-mail.

- iv. After logging in, you will be directed to the AGM.

OPTION 2

- i. Launch internet browser (chrome/firefox/safari) by typing the URL: <https://emeetings.kfintech.com>
 - ii. Enter the login credentials (i.e., User ID and password for e-voting).
 - iii. After logging in, click on “Video Conference” option.
 - iv. Then click on camera icon appearing against AGM event of Reliance Retail Limited, to attend the Meeting.
- b) Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the E-voting instructions.
- c) Members who would like to express their views or ask questions during the AGM may register themselves by logging on to <https://emeetings.kfintech.com> and clicking on the ‘Speaker Registration’ option available on the screen after log in. The Speaker Registration will be open during Wednesday, September 23, 2020 to Monday, September 28, 2020. Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.
- d) Members will be allowed to attend the AGM through VC / OAVM on first come, first served basis.
- e) Facility to join the meeting shall be opened fifteen minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.
- f) Members who need assistance before or during the AGM, can contact KFinTech on emeetings@kfintech.com or call on toll free number 1800-425-8998 (from 9:00 a.m. to 6:00 p.m.). Kindly quote your name, DP ID-Client ID / Folio no. and E-voting Event Number in all your communications.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.

9. Members attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING AT THE AGM:

10. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended, the Company is providing to its members facility to exercise their right to vote on resolutions proposed to be passed at the AGM by electronic means (“e-voting”). Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below (“remote e-voting”).

Further, the facility for voting through electronic voting system will also be made available at the Meeting (“**Insta Poll**”) and members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through Insta Poll.

The Company has engaged the services of KFinTech as the agency to provide e-voting facility.

The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions given below.

The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting:	9:00 a.m. on Saturday, September 26, 2020
End of remote e-voting:	5:00 p.m. on Tuesday, September 29, 2020

The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by KFinTech upon expiry of the aforesaid period.

Voting rights of a member / beneficial owner (in case of electronic shareholding) shall be in proportion to his share in the paid-up equity share capital of the Company as on the cut-off date, i.e., Wednesday, September 23, 2020.

The Board of Directors of the Company has appointed Shri Anil Lohia, a Practising Chartered Accountant, Partner, Dayal and Lohia, Chartered Accountants or failing him Shri Chandras Dayal, a Practising Chartered Accountant, Partner, Dayal and Lohia, Chartered Accountants, as Scrutiniser to scrutinise the remote e-voting and Insta Poll process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose.

Information and instructions relating to e-voting are as under:

- i. **The members who have cast their vote(s) by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.**
- ii. A member can opt for only single mode of voting, i.e., through remote e-voting or voting at the Meeting (Insta Poll). If a member casts vote(s) through remote e-voting then he/she shall not be allowed to vote again at the Meeting.
- iii. **A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e., Wednesday, September 23, 2020 only shall be entitled to avail the facility of remote e-voting or for participation at the AGM and voting through Insta Poll. A person who is not a member as on the cut-off date, should treat the Notice for information purpose only.**
- iv. Any person who becomes a member of the Company after despatch of the Notice of the Meeting and holding shares as on the cut-off date may obtain the User ID and password from KFinTech in the manner as mentioned below:
 - (a) If the mobile number of the member is registered against Folio No. / DP ID - Client ID, the member may send SMS: **MYEPWD** <space> E-Voting Event Number+Folio No. or DP ID - Client ID to **9212993399**

Example for NSDL: MYEPWD <SPACE> IN12345612345678
 Example for CDSL: MYEPWD <SPACE> 1402345612345678
 Example for Physical: MYEPWD <SPACE> XXXX1234567890

 - (b) If e-mail address or mobile number of the member is registered against Folio No. / DP ID - Client ID, then on the home page of [https:// evoting.kfintech.com](https://evoting.kfintech.com), the member may click “Forgot Password” and enter Folio No. or DP ID - Client ID and PAN to generate a password.
 - (c) Member may call on KFinTech’s toll-free number 1800-425-8998 (from 9:00 a.m. to 6:00 p.m.)
 - (d) Member may send an e-mail request to evoting.rrl@kfintech.com.
 - (e) If the member is already registered with KFinTech’s e-voting platform, then he can use his existing password for logging in.
- v. The Company has opted to provide the same electronic voting system at the Meeting, as used during remote

e-voting, and the said facility shall be operational till all the resolutions proposed in the Notice are considered and voted upon at the Meeting and may be used for voting only by the members holding shares as on the cut-off date who are attending the Meeting and who have not already cast their vote(s) through remote e-voting.

vi. Information and instructions for remote e-voting:**I A. In case a member receives an e-mail from the Company / KFinTech [for members whose e-mail addresses are registered with the Company / Depository Participant(s)]:**

- (a) Launch internet browser by typing the URL: <https://evoting.kfintech.com>
- (b) Enter the login credentials

(**User ID and password given in the e-mail**). The E-Voting Event Number+Folio No. or DP ID - Client ID will be your User ID. However, if you are already registered with KFinTech for e-voting, you can use the existing password for logging in. If required, please visit <https://evoting.kfintech.com> or contact toll-free number 1800-425-8998 (from 9:00 a.m. to 6:00 p.m.) for your existing password.
- (c) After entering these details appropriately, click on “LOGIN”.
- (d) You will now reach Password Change Menu wherein you are required to mandatorily change your password upon logging in for the first time. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
- (e) You need to login again with the new credentials.
- (f) On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for Reliance Retail Limited.

- (g) On the voting page, enter the number of shares as on the cut-off date under either “FOR” or “AGAINST” or alternatively, you may partially enter any number under “FOR” / “AGAINST”, but the total number under “FOR” / “AGAINST” taken together should not exceed your total shareholding as on the cut-off date. You may also choose to “ABSTAIN” and vote will not be counted under either head.
- (h) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- (i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as “ABSTAINED”.
- (j) You may then cast your vote by selecting an appropriate option and click on “SUBMIT”.
- (k) A confirmation box will be displayed. Click “OK” to confirm, else “CANCEL” to modify.
- (l) Once you confirm, you will not be allowed to modify your vote.
- (m) Corporate Members are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutiniser at e-mail id: rrl.scrutinizer@kfintech.com with a copy marked to evoting.rrl@kfintech.com. It is also requested to upload the same in the e-voting module in their login. The naming format of the aforesaid legible scanned document shall be “Corporate Name EVENT NO.”
- I B. In case of a member whose e-mail address is not registered / updated with the Company / KFinTech / Depository Participant(s), please follow the following steps to generate your login credentials:**
- (a) Members holding shares in physical mode, who have not registered / updated their email addresses with the Company, are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at retail.secretarial@ril.com or to KFinTech at rrlinvestor@kfintech.com.
- (b) **Members holding shares in dematerialised mode who have not registered their e-mail addresses with their Depository Participant(s) are requested to register / update their email addresses with the Depository Participant(s) with whom they maintain their demat accounts.**
- (c) After due verification, the Company / KFinTech will forward your login credentials to your registered email address.
- (d) Follow the instructions at I A. (a) to (m) to cast your vote.
- II You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending further communication(s).
- III **Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.**
- IV In case of any query pertaining to e-voting, members may refer to the “Help” and “FAQs” sections / E-voting user manual available through a dropdown menu in the “Downloads” section of KFinTech’s website for e-voting: <https://evoting.kfintech.com> or contact KFinTech as per the details given under sub-point no. V below.
- V **Members are requested to note the following contact details for addressing e-voting grievances:**
- Shri S. P. Venugopal, General Manager
KFin Technologies Private Limited
Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500 032
Phone No.: +91 40 6716 1700
Toll-free No.: 1800-425-8998
E-mail: evoting.rrl@kfintech.com
- vii. **Information and instructions for Insta Poll:**
- Facility to cast vote through Insta Poll will be made available on the Video Conferencing screen and will be activated once the Insta Poll is announced at the Meeting.**
- viii. The Scrutiniser will, after the conclusion of e-voting at the Meeting, scrutinise the votes cast at the Meeting (Insta Poll) and votes cast through remote e-voting, make a consolidated Scrutiniser’s Report and submit the same to the Chairman. The result of e-voting will be declared within stipulated time provided under the Act and the same, along with the

consolidated Scrutiniser's Report, will be placed on the website of the Company: www.relianceretail.com and on the website of KFinTech at: <https://evoting.kfintech.com>.

- ix. **Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e., Wednesday, September 30, 2020.**

PROCEDURE FOR INSPECTION OF DOCUMENTS:

11. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.

All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM.

Members seeking to inspect such documents can send an email to retail.secretarial@ril.com.

12. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Tuesday, September 22, 2020 through email on retail.secretarial@ril.com. The same will be replied by the Company suitably.

By order of the Board of Directors

K. Sridhar
Company Secretary

Mumbai, September 5, 2020

Registered Office:

3rd Floor, Court House, Lokmanya Tilak Marg

Dhobi Talao, Mumbai - 400 002

CIN: U01100MH1999PLC120563

Website: www.relianceretail.com

Email: retail.secretarial@ril.com

Tel.: +91 22 3555 3800

ANNEXURE TO THE NOTICE DATED SEPTEMBER 5, 2020**Details of the Directors retiring by rotation at the Meeting:**

Particulars	Shri V. Subramaniam	Shri Pankaj Pawar
Age	54 years	48 years
Qualification	Chartered Accountant and Cost Accountant	Engineering graduate and Master's Degree in Business Management
Experience	Shri V. Subramaniam has over 25 years of experience in the fields of Finance, Accounts and Taxation. He started his career with Tata Tea Limited in 1988. He joined Reliance Industries Limited in 1997 and over the years he has handled various areas in Accounting, Finance, and Direct and indirect taxation. He was member of the Finance, Compliance and Accounts (FCN&A) Leadership team of Reliance Industries Limited. He had also served as Chief Financial Officer of Reliance Jio Infocomm Limited and later as Chief Financial Officer of Reliance Retail Limited and Reliance Retail Ventures Limited.	Shri Pankaj Pawar is working as Business Head with Reliance Jio Infocomm Ltd. He has over 25 years of experience of working across diverse roles in strategy, corporate development and operations in Reliance and other leading companies. In Reliance, his work has been mainly focused on development and scaling of consumer businesses. Before joining Reliance, he worked with the Tata group's corporate strategy office.
Terms and conditions of Re-appointment	Whole-time Director liable to retire by rotation	Non-Executive Director liable to retire by rotation
Remuneration last drawn (FY 2019-20)	Rs. 4.34 crores	Nil
Remuneration proposed to be paid	As per the terms and conditions of his appointment as the Whole-time Director of the Company.	Nil
Date of the first appointment on the Board	7-12-2016 as an Additional Director	01-10-2010 as an Additional Director
Shareholding in the Company as on March 31, 2020	Nil	Nil
Relationship with other Director/ Key Managerial Personnel	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
Number of Meetings of the Board attended during the financial year (2019-20)	6	6
Directorship of other Boards as on March 31, 2020	Reliance Retail Ventures Limited Reliance Brands Limited Genesis Colors Limited Genesis Luxury Fashion Private Limited	Reliance Retail Ventures Limited Reliance Jio Infocomm Limited Reliance Jio Media Limited Jio Platforms Limited Jio Limited Reliance Jio Messaging Services Limited Reliance Clothing India Private Limited Parinita Commercials Private Limited Einsten Commercials Private Limited N.C.Trading Company Private Limited Kaniska Commercials Private Limited Marugandha Land Developers Private Limited Shree Salasar Bricks Private Limited Anagh Commercials Private Limited Starfish Commercials Private Limited

Membership/Chairmanship of Committees of other Boards as on March 31, 2020	<p>Reliance Brands Limited Audit Committee - Chairman Nomination and Remuneration Committee - Member</p> <p>Genesis Colors Limited Audit Committee - Chairman Nomination and Remuneration Committee - Member</p> <p>Genesis Luxury Fashion Private Limited Audit Committee - Chairman Corporate Social Responsibility Committee - Chairman Nomination and Remuneration Committee - Member</p>	<p>Reliance Retail Ventures Limited Audit Committee - Member</p> <p>Reliance Jio Infocomm Limited Allotment Committee - Member Audit Committee - Member</p> <p>Reliance Jio Media Limited Allotment Committee - Member Audit Committee - Member</p> <p>Reliance Jio Messaging Services Limited Allotment Committee - Member Audit Committee - Member Nomination and Remuneration Committee - Member</p> <p>Reliance Clothing India Private Limited Nomination and Remuneration Committee - Chairman</p>
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By order of the Board of Directors

K. Sridhar
Company Secretary

Mumbai, September 5, 2020

Registered Office:

3rd Floor, Court House, Lokmanya Tilak Marg
 Dhobi Talao, Mumbai - 400 002
 CIN: U01100MH1999PLC120563
 Website: www.relianceretail.com
 Email: retail.secretarial@ril.com
 Tel.: +91 22 3555 3800

Board's Report

Dear Members,

The Board of Directors is pleased to present the Company's Twenty-first Annual Report and the Company's audited financial statement for the financial year ended March 31, 2020.

Financial Results

The Company's financial performance (standalone) for the year ended March 31, 2020 is summarised below: (₹ crore)

	2019-20	2018-19
Revenue from operations	1,46,724.25	1,15,801.13
Other Income	260.35	112.03
Profit before Interest, Depreciation and Tax	9,399.30	6,032.17
Less: Interest	867.03	611.70
Depreciation	1,108.85	601.69
Profit before tax	7,423.42	4,818.78
Less: Current tax	998.28	1,037.29
Deferred tax	885.35	643.23
Profit for the year	5,539.79	3,138.26
Add: Other Comprehensive Income	(12.90)	1.49
Total Comprehensive Income of the year	5,526.89	3,139.75
Add: Balance in Profit & Loss Account	5,831.56	2,691.81
Less: Appropriation	-	-
Closing Balance (including other comprehensive income)	11,358.45	5,831.56

Transfer to Reserves

The Board of Directors of the Company has not transferred any amount to the Reserves for the year under review.

Results of operations and the state of Company's affairs

Your Company achieved a turnover of ₹ 1,46,724.25 crore in FY 2019-20, an increase of 27% Y-o-Y. The business delivered an EBITDA of ₹ 9,399.30 crore for FY 2019-20, registering a growth of 56% Y-o-Y.

Your Company operated 11,308 retail stores in over 7,000 towns and cities covering an area of 27 million sq. ft. as on March 31, 2020. The gains of modern retail are being brought to the real 'Bharat' as more than 2/3rd of stores are operated in Tier II, Tier III and Tier IV towns.

Additionally, 519 petro retail outlets were in operation as on March 31, 2020.

Market Overview

India's retail market is estimated at US\$822 billion in FY 2019-20 and is expected to grow at a CAGR of 10% over next 5 years to reach US\$1,315 billion by FY 2024-25. The penetration of organised retail market is estimated at 11% in FY 2019-20 and is expected to grow to 17% by FY 2024-25E. The organised retail market is estimated at US\$89 billion in FY 2018-19 and is expected to grow at a CAGR of 21% over next 5 years to reach US\$230 billion by FY 2024-25E¹.

Business Overview

Reliance Retail demonstrated yet another year of highest ever revenue, EBITDA and margin expansion despite challenging market environment, slowing consumer demand, and COVID-19 disruption towards the end of the year. This robust business performance is backed by consistent strategy, sharp operational execution and a customer centric approach.

Your Company is India's largest and most successful retailer. In just 14 years of launch, the Company has accomplished a feat which no other retailer has achieved. Your Company touches every aspect of its consumers' life from morning to evening, food to fashion, items of necessities to luxuries of life, cities to towns, online to offline and much more, enabling the ease of living for every Indian.

¹ Technopak Analysis

Your Company has established its business across five key consumption baskets of:

- a) Consumer Electronics;
- b) Fashion & Lifestyle;
- c) Grocery;
- d) Connectivity; and
- e) Petro Retail.

Consumer Electronics

The Consumer Electronics market is estimated at US\$53 billion in FY 2019-20 and is expected to grow at a CAGR of 11% over next 5 years to reach US\$91 billion by FY 2024-25. The organised Consumer Electronics market is estimated at US\$18.2 billion in FY 2019-20 with a penetration of 34%¹.

Your Company is India's largest Consumer Electronics retailer with an extensive physical store network. The key proposition of the Company's store concepts is centred around 'Service', 'Solution' and 'Consumer Experience'.

Reliance Digital is an experiential store concept where consumers can touch, feel, use and experience the products. Reliance Digital takes care of entire lifecycle needs of a consumer right from identifying the need gap, narrowing down the solution, suggesting product choices, to pre and post installation support to the customers through its service arm ResQ.

The core business model of Reliance Digital is to offer latest, exclusive and sophisticated products to consumers, in an all under one roof experiential store environment, at attractive price points and leverage its supply chain, partnerships with leading Consumer Electronics brand partners and financing partners to offer a win-win proposition for all.

Reliance Digital offers wide range of products across all key categories of mobiles, computing, household appliances such as televisions, washing machines, air conditioners, coolers, refrigerators, cameras, speakers, and many more.

Reliance Digital continues to march ahead of its competition and crossed a milestone of 400 stores. Business registered robust growth which was driven by focused strategy, marketing campaigns, superior customer experience, exclusive product SKUs, partnerships with leading financial institutions for consumer financing, strong festive season footfalls and big day's performance.

Reliance Digital offers exclusive value for money products under its own brands 'Reconnect', 'Jio Phone' and 'LYF', exclusive brands 'BPL', 'Sharp' and 'Kelvinator' under long term collaboration arrangements and SKUs from all the leading Consumer Electronics brands.

Jio Stores offers connectivity and mobility solutions to consumers with over 8,100 stores across 7,000+ towns and cities. Jio Stores act as an interface offering Reliance Digital's catalogue of

offerings, through a 'phygital' experience to consumers. Close to 10% of Jio store's revenues come through assisted web sales.

ResQ is India's only ISO 9001 certified electronics service brand. With 171 service centers, ResQ provides multi-brand, multi-product service including installation, repairs, maintenance and comprehensive ResQ care plans to consumers thereby providing a one stop solution to consumers.

During the year, Reliance Retail entered into a long-term exclusive brand licensing arrangement with Kelvinator and BPL. The arrangement grants Reliance Retail an exclusive manufacturing, marketing and distribution right in India for a range of products covering consumer electronics, durables and accessories.

Reliance Retail continued to pursue physical store expansion and opened 605 stores across Digital and Jio stores during FY 2019-20.

Fashion & Lifestyle

The overall Fashion & Lifestyle market is estimated at US\$139 billion in FY 2019-20 and is expected to grow at a CAGR of 11% over next 5 years to reach US\$233 billion by FY 2024-25. The organised Fashion & Lifestyle market is estimated at US\$40 billion in FY 2019-20 with a penetration of 29%¹.

Your Company is the largest fashion & lifestyle retailer in India with offerings across all income segments covering value, mainstream and premium. The Company manages end to end value chain across apparel, footwear and much more through bouquet of store concepts.

Trends is the flagship store concept of your Company democratising fashion for millions of Indian consumers. Trends continues to carry out fastest store expansion among fashion retailers in India and opened over 500 stores during FY 2019-20 and is India's largest fashion retail chain operating over 1,400 stores.

Trends primarily sells own brand products, which constitute over 70% of its sales. The core business model of Trends is built around providing best and latest of fashion trends to consumers at compelling price points backed by an integrated value chain that ensures high quality products with optimisation from sourcing till delivery of products to consumers. This approach ensures early break-even for most Trends stores and contribute to the overall profitability of the business. At the same time, a curated blend of select third-party brand offerings add to the choices and comparison for the consumers.

Trends has developed a robust portfolio of over 20 own brands such as Avaasa, DNMX, Netplay, Performax, Teamspirit, etc. to cater to diverse tastes and preferences of customers. Today, many of these brands have an annual turnover of over ₹ 500 crore making them comparable to many national and international brands operating in the market.

Under the Trends umbrella, your Company operates Trends Small Town, which is a smaller sized store measuring about 5,000 sq.ft.

¹ Technopak Analysis

on an average, offering focused range of products for dressing needs of entire family. The store concept is addressed to Tier III and Tier IV towns, where larger sized quality real estate may be either difficult to find or may be inefficient to operate. Trends Small Town concept has been well received by its customers and has scaled up to 240 stores across 200+ towns in a short time.

Trends Footwear is a family footwear store concept offering affordable and fashionable footwear for everyday needs. The stores offer a range of value for money merchandise under own brands and a wide variety of footwear and accessories across all leading footwear brands.

In addition, Trends operates three other store concepts: Trends Woman, Trends Man and Trends Junior. These are focused stores for women, men and kids (aged 0-14 years) respectively and offers apparel, footwear & accessories in differentiated store environment.

Project Eve is an experiential women's only store concept positioned in the mid to premium segment. The store offers apparel, beauty & cosmetics, accessories, footwear, in-store salon and a café, all under one roof to address entire wardrobe needs of a woman.

Crafted on the pillars of purity, trust, transparency and quality, Reliance Jewels is a chain of premium jewellery stores present across 60+ towns and cities offering wide variety of fine jewellery collections.

The market for traditional jewellery retailers faced headwinds during the year, whereas customer centric modern trade retailers witnessed growing demand. Business believes this movement to be a secular trend. To capitalise on this market opportunity, Reliance Jewels extended its reach from 143 stores to 241 stores during the year.

To cater to the needs of India's millennials to Generation-Z, Reliance Retail has created an online fashion platform AJIO, that has emerged as a preferred fashion and lifestyle shopping destination. It offers over 2,50,000 styles of curated collections across own brand and 1,400+ national and international brands. AJIO provides seamless shopping experience to customers through e-com website, mobile app, physical outlets inside Trends, and endless aisle kiosks.

AJIO continues to witness superlative growth across all operating parameters viz. web visits, assortment listing, browsing time, number orders, among others. The business continues to strengthen its O2O (offline-to-online) capabilities through in-store couponing, endless aisle kiosks across 800+ Trends and extension stores, direct deliveries from 350 Trends and 70 Trends Footwear stores.

Grocery

The Food & Grocery market is estimated at US\$545 billion in FY 2019-20 and is expected to grow at a CAGR of 9% over next

5 years to reach US\$850 billion by FY 2024-25. The organised food and grocery market is estimated at US\$21 billion in FY 2019-20 with a penetration of 3.7%.¹

Your Company is the largest grocery retailer in India with a presence of 768 stores across 180+ towns and cities. The Company endeavours to bring extensive selection of fresh produce, items of daily use and general merchandise in a modern setting and at an attractive value proposition. In order to achieve this, the Company operates four engaging store concepts viz. Reliance Fresh, Reliance SMART, SMART Point and Reliance Market, delivering benefits of modern shopping experience to consumers.

Reliance Fresh is the neighbourhood store offering daily needs and essential items across fresh foods, staples, FMCG, home and personal care and much more with a focus on offering convenience, quality produce and ensuring availability.

Reliance SMART is a destination store concept offering wide variety of products across fresh foods, staples, FMCG, home and personal care, beauty & cosmetics, value apparel & footwear, general merchandise and much more in an all under one roof setting. During the year, Reliance Retail accelerated the pace of expansion with 98 SMART stores launches, taking total SMART store count to over 250 stores. Almost half of the SMART stores are in Tier II and smaller towns and have shown equally robust customer traction and sales throughput as the stores in metro cities.

During the year, a new store concept SMART Point was executed in a record 45 days' time from concept ideation to launch. SMART Point, a smaller avatar of SMART store, is a one stop multi-purpose store concept housed in residential neighbourhoods offering SMART's price promise across all grocery needs, pharmacy and assisted Digital commerce.

Reliance Market is the wholesale cash and carry store concept serving households, kiranas, hotel, restaurants and catering (HORECA), institutions and B2B member partners.

Your Company has developed wide range of own brand products across various categories such as staples, food FMCG, home & personal care and general merchandise. Best Farms, Good Life, Masti Oye, Kaffe, Enzo, Mopz, Expelz, Home One, Graphite, RelGlow, among others are some of the brands that have been well received by consumers.

The inherent strength of the Company's grocery business model arises from its farm-to-fork grocery value chain. Reliance Retail has directly partnered with tens of thousands of farmers and small vendors which ensures that quality produce is made available at its stores through ground level interventions, supply chain efficiencies, lower wastages compared with traditional trade channels, and an agile movement of produce to consumers, thereby ensuring shared prosperity. Reliance Retail has also been a growth catalyst for many regional brands in developing innovative products, packaging designs and in expanding their markets.

¹ Technopak Analysis

Connectivity

Your Company works as the Master Distributor for Jio connectivity services. The distribution network comprises over 8,100 Jio stores and vast network of retailers across the Country for new customer acquisition and recharges.

Petro Retail

Reliance Petro Marketing Limited, a subsidiary of your Company is a leading private sector petro retail company which operates 519 Petro Retail outlets. These outlets are spread across India with a focus on serving highway corridors between major cities.

Reliance Petro Retail outlets yield significantly higher volumes than industry average led by efficient processes, technology backbone and well-trained employees. The petro outlets offers diesel, petrol and LPG to its customers with a focus to serve high quality fuels.

Outlook

Your Company is now embarking on a journey to transform traditional retail through its JioMart Digital Commerce Platform. The roadmap to this journey requires Reliance Retail to establish a complex yet robust physical and digital pan-India infrastructure and neatly weave this network to a smooth, sound and responsive operating system, which will enable the Company to serve consumers in partnership with traditional retailers.

Your Company has commenced taking strides towards this with the launch of pilot phase of JioMart in select cities. It provides omni-channel experience to consumers who can place orders through alternative ways including Whatsapp which will be served by merchant partners. It is aimed at changing the entire customer journey in ways that even consumers who are not comfortable with digital channels become comfortable with JioMart. JioMart acts as a centralised procurement and delivery platform between manufacturers and merchant partners. JioMart enables digitisation of merchants through Jio PoS at the backend and JioMart app at the frontend. As for the pilot, your Company has commenced onboarding merchant partners in a limited geography.

Your Company will continue to invest in expanding the existing store network and enhance core capabilities including omni-channel solutions, innovative store concepts, enhancing store environment for providing immersive customer experience, leveraging customer insights through use of sophisticated technology and much more to consolidate its market leadership across all consumption baskets and store concepts.

Scheme of Arrangement

The Company had implemented two schemes namely Reliance Retail Employees' Restricted Stock Unit Plan 2006 and 2007 under which Restricted Stock Units ("RSUs") have been allotted to eligible employees. On exercise of the RSUs by some of the employees, equity shares have been allotted to them. The Company

has been receiving requests from the employees holding equity shares for providing them options for exit and liquidity, including by way of listing of the equity shares. The Company does not have any plan for listing of its equity shares on the stock exchanges. In view of the above, the Company had proposed a scheme of arrangement with its equity shareholders to provide an option for exit and liquidity in terms of the said scheme. The Scheme is pending for the sanction of the National Company Law Tribunal, Mumbai.

Dividend

The Board of Directors of the Company has not recommended any dividend on the preference shares and equity shares for the financial year under review.

Details of Material Changes affecting the Company

The impact of COVID-19 on the business operations of the Company for the financial year 2019-20 was not significant in the overall context of the year as business was continuing normally until the last quarter of the year when particularly in the months of February and March, operations were adversely impacted.

The outbreak of the COVID-19 in Quarter 4 impacted the fashion and lifestyle, consumer electronics, and petro retail formats where store functioning and digital commerce fulfilment was severely impacted by lockdown and restrictions. Operational businesses of grocery and connectivity on the other hand rose to the need of the hour and continued to operate during this exceptional and unprecedented period but with limitations and logistics challenges.

In a response to the lockdown situation, all Grocery stores were kept open for extended hours to provide access and availability of essential products to customers in these trying times. A range of actions were taken to secure in-store operations and ensure availability of supplies for customers.

The Company embarked upon several decisive actions on activating digital commerce and strengthening omni-channel capabilities, to supplement the strength of the existing offline store network.

Consolidated Financial Statement

In accordance with the provisions of the Companies Act, 2013 ("Act") and Ind AS 110 - Consolidated Financial Statements read with Ind AS 28 - Investments in Associates and Joint Ventures and Ind AS 31 - Interests in Joint Ventures, the consolidated audited financial statement forms part of the Annual Report.

Subsidiaries, Joint Ventures and Associate Companies

During the year under review, no company has become or ceased to be the Company's subsidiary, joint venture or associate company.

A statement providing details of performance and salient features of the financial statement of Subsidiary/ Associate/ Joint Venture

companies, as per Section 129(3) of the Act, is provided as **Annexure A** to the consolidated financial statement and therefore not repeated to avoid duplication.

Secretarial Standards

The Company has followed applicable Secretarial Standards, i.e. SS-1 and SS-2 relating to ‘Meetings of the Board of Directors’ and ‘General Meetings’, respectively.

Directors’ Responsibility Statement

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis; and
- e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Contracts or arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm’s length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which is required to be reported in Form No. AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Members may refer to Note 33 to the standalone financial statement which sets out related party disclosures pursuant to Ind AS.

Corporate Social Responsibility (CSR)

The Corporate Social Responsibility Committee (“CSR Committee”) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (“CSR Policy”) indicating the activities to be undertaken by the Company, which has been approved by the Board. During the year under review the CSR Policy of the Company was amended to expand the scope of the CSR activities and also its implementation. The CSR Policy is put

up on the Company’s website at www.relianceretail.com.

During the year, the Company has spent ₹ 50.15 crore (2% of the average net profits of the last three financial years) on CSR activities majorly focusing on Rural Transformation, Skilling and Employment Initiative, Disaster Relief, Sports, Healthcare, Education and Environment sustainability.

The Annual report on CSR activities is annexed herewith marked as **Annexure I** to this Report.

Risk Management

The Company has in place a Risk Management Policy and an adequate risk management infrastructure in place, capable of addressing all the risks that the organization faces such as financial, credit, market, liquidity, security, property, IT (cyber risk), legal, regulatory, reputational risks and such other risks.

The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company’s management systems, organisational structures, processes, standards, code of conduct and behaviours together form the Reliance Management System (RMS) that governs how the Company conducts the business and manages associated risks.

Internal Financial Controls

Internal Financial Controls are an integral part of the risk management process, addressing financial and financial reporting risks. The internal financial controls have been documented, digitised and embedded in the business processes.

Assurance on the effectiveness of internal financial controls is obtained through management reviews, control self-assessment and continuous monitoring by functional experts as well as testing of the internal financial control systems by the internal auditors and statutory auditors during the course of their audits. The Company believes that these systems provide reasonable assurance that the Company’s internal financial controls are designed effectively and are operating as intended.

Credit Ratings

The fixed deposit schemes of the Company (Jewellery Purchase Schemes) have received a credit rating of CARE AAA from CARE Ratings Limited, and the Commercial Papers issued by the Company have received credit ratings of CARE A1+ from CARE Ratings Limited, and CRISIL A1+ from CRISIL Limited. The Commercial Papers issued by the Company are not listed in any Stock Exchange. The Company has strong financials and the same is reflected in the highest credit ratings issued by the agencies.

There were no revisions in the credit ratings mentioned above during the year.

Jewellery Purchase Scheme

The Company operates “Jewellery Purchase Scheme” providing an opportunity to its customers through ‘Reliance Jewels’ stores, to purchase gold and diamond jewellery for the various festival,

family and social occasions through a deferred payment facility. The amounts received from customers under the jewellery purchase schemes of the Company are construed as 'deposits' under the Act. The Company has accepted deposits, being advances from customers under jewellery purchase scheme amounting to ₹ 135,16,29,420/- during the year and the amounts remaining unclaimed at the end of the year is ₹ 9,34,71,750/. There has been no default in repayment of deposits or payment of interest thereon during the year.

Directors/ Key Managerial Personnel

In accordance with the provisions of the Act and the Articles of Association of the Company, Shri V. Subramaniam (DIN: 00009621) and Shri Pankaj Pawar (DIN: 00085077), Directors of the Company, retire by rotation at the ensuing Annual General Meeting (AGM). The Board of Directors on the recommendation of the Nomination and Remuneration Committee (NRC) has recommended their re-appointment.

In view of change in his designation as Chief Business Operations Controller Shri Ashwin Khasgiwala resigned as the Chief Financial Officer of the Company from the close of business hours of July 8, 2019.

Shri Dinesh Thapar has been appointed as the Chief Financial Officer of the Company with effect from July 17, 2019.

The Company has received declarations from all the Independent Directors of the Company confirming that:

- they meet with the criteria of independence as prescribed under the Act and
- they have registered their names in the Independent Directors' Databank.

The Company has devised the following Policies:

- Policy for selection of Directors and determining Directors' independence; and
- Remuneration Policy for Directors, Key Managerial Personnel and other employees.

The aforesaid policies are put up on the Company's website at www.relianceretail.com.

The Policy for selection of Directors and determining Directors' independence sets out the guiding principles for the NRC for identifying persons who are qualified to become a Director and to determine the independence of Directors, in case of their appointment as Independent Directors of the Company. The Policy also provides for the factors in evaluating the suitability of individual Board members with diverse background and experience that are relevant for the Company's operations.

The Remuneration Policy for Directors, Key Managerial Personnel and other employees sets out the guiding principles for the NRC for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

There has been no change in the aforesaid policies during the current year.

Performance Evaluation

The Company has a policy for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which include criteria for performance evaluation of Non-Executive Directors and Executive Directors.

In accordance with the manner specified by the NRC, the Board carried out annual performance evaluation of the Board, its Committees and Individual Directors. The Independent Directors carried out annual performance evaluation of the Chairperson, non-independent directors and the Board as a whole. The Chairman of the respective Committees shared the report on evaluation with the respective Committee members. The performance of each Committee was evaluated by the Board, based on report on evaluation received from respective Committees. A consolidated report was shared with the Chairman of the Board for his review and giving feedback to each Director.

Employees' Stock Option / Restricted Stock Units (RSUs)

During the year under review, the Company has allotted 8,62,863 equity shares of ₹ 10/- pursuant to exercise by the holders of Stock Option, under the Reliance Retail Employees Restricted Stock Unit Plan 2007.

Disclosures with respect to Employees Stock Option Scheme of the Company:

- RSUs granted: 9,72,31,490;
- RSUs vested: 1,74,41,094;
- RSUs exercised: 73,40,855;
- The total number of shares arising as a result of exercise of RSUs: 67,65,613;
- RSUs lapsed: 8,95,58,846;
- Exercise price: ₹ 10;
- Variation of terms of RSUs: Nil;
- Money realised by exercise of RSUs: ₹ 6,76,56,130;
- The total number of RSUs in force: 3,31,789;

Employee wise details of RSUs granted during the year to-

- Key managerial personnel: Nil
- Any other employee who receives a grant of RSUs in any one year of RSUs amounting to five per cent or more of RSUs granted during that year: Nil
- Identified employees who were granted RSUs, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant: Nil

Auditors and Auditors' Report

Statutory Auditors

M/s. D T S & Associates LLP, Chartered Accountants, were appointed as Auditors of the Company, for a term of 5 (five) consecutive years, at the AGM held on September 29, 2017. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

As per the provisions of the Act, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors of the Company,

who were appointed for a term of 1 (one) year and 5 (five) consecutive years, at the AGMs held on September 22, 2014, and September 30, 2015, respectively, hold office till the conclusion of the ensuing AGM.

M/s. D T S & Associates LLP, Chartered Accountants shall continue to act as sole Auditors of the Company.

The Notes on the financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark or disclaimer.

Secretarial Auditor

The Board had appointed M/s. Shashikala Rao and Co., Company Secretaries, to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020, is annexed herewith marked as **Annexure II** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Disclosures:

(I) Meetings of the Board

Six meetings of the Board of Directors were held during the year.

(II) Audit Committee

The Audit Committee comprises Shri Ranjit V. Pandit (*Chairman*), Shri Pankaj Pawar and Shri K. Sudarshan as other members of the Committee. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

(III) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises Shri Ranjit V. Pandit (*Chairman*), Shri Pankaj Pawar, Shri Sanjay Jog and Shri K. Sudarshan as other members of the Committee.

(IV) Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises Shri Ranjit V. Pandit (*Chairman*), Shri Pankaj Pawar, Shri Sanjay Jog and Shri K. Sudarshan as other members of the Committee.

(V) Stakeholder Relationship Committee

The Stakeholder Relationship Committee comprises Shri Sanjay Jog (*Chairman*), Shri Pankaj Pawar and Shri K. Sudarshan as other members of the Committee.

(VI) Compliance Committee

The Compliance Committee comprises Shri V. Subramaniam (*Chairman*), Shri Sanjay Jog and Ms. Geeta Fulwadaya as other members of the Committee.

(VII) Vigil Mechanism

The Company has established a robust Vigil Mechanism

and Whistle-blower Policy in accordance with the provisions of the Act. An 'Ethics & Compliance Task Force' (ECTF) comprising senior executives of the Company as members has been established which oversees and monitor implementation of ethical business practices in the Company. ECTF meets periodically to review the complaints and incidents and reports them to the Audit Committee.

Protected disclosures can be made by a Whistle-blower through an e-mail, or dedicated telephone line or a letter to ECTF or the Chairman of the Audit Committee.

The Vigil Mechanism and Whistle-blower Policy is put up on the Company's website at www.relianceretail.com.

(VIII) Prevention of Sexual Harassment at Workplace

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and Rules made thereunder, the Company has formed Internal Committee for various workplaces to address complaints pertaining to sexual harassment in accordance with the POSH Act. The Company has a policy for the prevention of Sexual Harassment, which ensures a free and fair enquiry process with clear timelines for resolution. To build awareness in this area, the Company has been conducting online programme on a periodic basis.

(IX) Particulars of Loans given, Investments made, Guarantees given and Securities provided

Particulars of loans given and investments made along with the purpose for which the loan is proposed to be utilised by the recipients are provided in the financial statement (Please refer to Note 2 and 3 to the standalone financial statement).

There were no corporate guarantees given or securities provided by the Company in terms of Section 186 of the Act during the year under review.

(X) Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

A. Conservation of Energy:

i) Steps taken or impact on conservation of energy:

Your Company is engaged in organised retail business and carries on its activities in an environmental friendly and energy-efficient manner. The Company recognises the importance of energy conservation in decreasing the adverse effects of global warming and climate change.

The Company has systems in place to consistently monitor and reduce power consumption across its stores and operational sites. Power/lighting

equipments which are aged are replaced in a timely manner, with energy efficient equipments.

The Company has undertaken various energy conservation measures at its retail stores through use of alternate energy source (Solar energy), use of energy efficient lights (LED Lights) & equipments. The Company also actively conducts training and awareness of operational staff with the objective of energy conservation. The Company also routinely undertakes store level energy Audits, day-to-day monitoring of energy consumption, installation of energy savers and other miscellaneous measures.

ii) Steps taken by the Company for utilising alternate sources of energy:

Considering the nature of the Company's business of rendering services, at few locations solar energy is used as an alternate energy source. The Company is committed to reducing dependence on energy from fossil fuel.

Capital investment on energy conservation equipment:

The Company has done capital investment of ₹ 7 crore (approx) on various energy conservation initiatives like Solar energy, LED lights, Efficient HVAC equipment's at stores.

B. Technology Absorption

(i) Efforts made towards technology absorption:

The Company has not entered into any technology agreement or collaborations.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Not applicable

(iii) Information regarding imported technology (Imported during last three years):

The Company has not imported any technology during the last three years.

(iv) Expenditure incurred on research and development: Nil

C. Foreign Exchange Earnings and Outgo:

Foreign Exchange earned in terms of Actual Inflows: ₹ 297.30 crore

Foreign Exchange outgo in terms of Actual Outflows: ₹ 2,122.70 crore

(X) Annual Return

As required under Section 134(3)(a) of the Act, the Annual Return is put up on the Company's website at www.relianceretail.com.

General

The Board of Directors states that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- 1) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- 2) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except the Employee's Stock Option Scheme referred to in this Report.
- 3) The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- 4) Case of Sexual Harassment under the POSH Act.
- 5) The Whole-time Director of the Company does not receive any remuneration or commission from any of its subsidiaries/holding companies.
- 6) No significant or material orders were passed by the Regulators or Courts or Tribunals, which impact the going concern status and Company's operations in future.
- 7) No fraud was reported by the Auditors to the Audit Committee or the Board.
- 8) Details as prescribed under Section 197(12) of the Act.
- 9) The Company is not required to maintain cost records in terms of Section 148(1) of the Act.
- 10) There has been no change in the nature of business of the Company.

The Board of Directors further state that no cases of child labour, forced labour, involuntary labour or discriminatory employment were reported during the year under review.

Acknowledgement

The Board of Directors places on record its sincere appreciation for continued assistance and support received from financial institutions, banks, Government and regulatory authorities, customers, vendors and members during the year under review. Your Board also take this opportunity to express deep sense of appreciation for the hard work and committed services by all the employees of the Company.

For and on behalf of the Board of Directors

**Pankaj Pawar
(Chairman)**

Date: April 28, 2020

Place: Mumbai

Annexure I

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2019-20

1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs and the composition of CSR Committee	Refer the Board's Report
2	Average net profit of the Company for last three financial years	₹ 2,507.72 crore
3	Prescribed CSR expenditure (two percent of the amount mentioned in item 2 above)	₹ 50.15 crore
4	Details of CSR spent during the financial year:	
	Total amount spent for the financial year	₹ 50.15 crore
	Amount unspent, if any	Not applicable
	Manner in which the amount spent during the financial year	Details given below

DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR 2019-20

Sr. No.	CSR project or Activity Identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013, as amended)	Project of Program (1) Local Area or Other (2) Specify the State and district where projects or programs was Undertaken	Amount Outlay (Budget) Project or Program Wise (Amount in ₹)	Amount spent on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (Amount in ₹)	Cumulative Expenditure upto the reporting period i.e. FY 2019-20 (Amount in ₹)	Amount Spent Direct or through Implementing Agency
1	Rural Transformation - Bharat India Jodo	Cl. (i) eradicating hunger, poverty and malnutrition, Cl (iv) ensuring environmental sustainability and Cl. (x) Rural Development Projects	1. Maharashtra - Yavatmal 2. Madhya Pradesh - Chindwara, Malwa, Barwani 3. Gujarat - Aravali, Patan, Rajkot 4. Odisha - Balangir 5. Karnataka - Bidar 6. Jharkhand - Deoghar 7. Rajasthan - Jaipur 8. Chhatisgarh - Rajnandgaon	8 75 00 000	8 58 49 460	32 32 90 173	Implementing Agency - Reliance Foundation*
2	Rural Transformation - RF Information Services	Cl. (x) Rural Development Projects	1. Andhra Pradesh - Anantapur, East Godavari, Guntur, Krishna, Kurnool, Nellore, Nizamabad, Prakasam, Srikakulam, Vishakapattinam, Vizianagaram, West Godavari 2. Bihar - Purnia 3. Chhatisgarh - Raipur 4. Daman & Diu - Daman, Diu 5. Goa - North Goa 6. Gujarat - Ahmedabad, Amreli, Aravalli, Bharuch, Devbhumi Dwarka, Gir Somnath, Junagadh, Kutch, Navsari, Patan, Porbandar, Rajkot, Sabar Kantha, Surendernagar, Valsad 7. Jharkhand - Ranchi, Sahibganj 8. Karnataka - Shivamoga, Udappi 9. Kerala - Alapuzha, Ernakulam, Kollam, Kozhikode, Malappuram, Thiruvananthapuram, Wayanad 10. Madhya Pradesh - Barwani, Bhopal, Chhindwara, Dindori, Indore, Jabalpur, Panna, Rewa, Satna, Sehore, Seoni, Shajapur, Umaria	5 25 00 000	5 20 02 653	5 20 02 653	Implementing Agency - Reliance Foundation*

Sr. No.	CSR project or Activity Identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013, as amended)	Project of Program (1) Local Area or Other (2) Specify the State and district where projects or programs was Undertaken	Amount Outlay (Budget) Project or Program Wise (Amount in ₹)	Amount spent on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (Amount in ₹)	Cumulative Expenditure upto the reporting period i.e. FY 2019-20 (Amount in ₹)	Amount Spent Direct or through Implementing Agency
			<p>11. Maharashtra - Akola, Amravati, Aurangabad, Bhandara, Buldhana, Gondia, Hingoli, Jalna, Kolhapur, Latur, Mumbai, Nagpur, Nanded, Parbhani, Raigad, Ratnagiri, Sangli, Satara, Sindhudurg, Thane, Wardha, Washim, Yavatmal</p> <p>12. Odisha - Baleshwar, Bargarh, Bhadrak, Bhubneshwar, Gajapati, Ganjam, Jagatsinghpur, Kendrapara, Kendujhar, Koraput, Mayurbhanj, Puri, Sambalpur; Kalahandi</p> <p>13. Puducherry - Karaikkal, Puducherry</p> <p>14. Punjab - Mohali</p> <p>15. Rajasthan - Baran, Bikaner, Jhalawar, Udaipur</p> <p>16. Tamil Nadu - Ariyalur, Chennai, Cuddalore, Dindigul, Kanchipuram, Kanyakumari, Karur, Madurai, Nagapattinam, Namakkal, Perambalur, Pudukkottai, Ramanathapuram, Salem, Sivaganga, Thanjavur, Theni, Thiruvanamalai, Tirunelveli, Tiruvallur, Trichy, Tuticorin, Villupuram, Virudhunagar</p> <p>17. Telangana - Khammam</p> <p>18. Tripura - West Tripura</p> <p>19. Uttar Pradesh - Lucknow</p> <p>20. Uttarakhand - Deharadun</p> <p>21. West Bengal - Bankura, Kolkata, Nadia, North 24 Parganas, South 24 Parganas</p>				
3	Community Development	<p>CI (i) Promoting health care including preventive health care</p> <p>CI (ii) Promoting education</p> <p>CI (x) Rural Development Projects</p>	Madhya Pradesh - Shahdol	10 00 000	9 90 700	9 90 700	Implementing Agency - Reliance Foundation*

Sr. No.	CSR project or Activity Identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013, as amended)	Project of Program (1) Local Area or Other (2) Specify the State and district where projects or programs was Undertaken	Amount Outlay (Budget) Project or Program Wise (Amount in ₹)	Amount spent on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (Amount in ₹)	Cumulative Expenditure upto the reporting period i.e. FY 2019-20 (Amount in ₹)	Amount Spent Direct or through Implementing Agency
4	Health - RF Drishti Programme - Other activities for visually impaired	CI (i) Promoting health care including preventive health care	Maharashtra - Mumbai	4 00 000	2 02 622	2 02 622	Implementing Agency - Reliance Foundation*
5	Health - Partnership with Non- Government Organisations	CI (i) Promoting health care including preventive health care	Maharashtra - Mumbai	5 00 00 000	5 00 00 000	7 00 00 000	Implementing Agency - Reliance Foundation*
6	Disaster Relief	CI (xii) Disaster management, including relief, rehabilitation and reconstruction activities	1. Kerala - Wayanad 2. Maharashtra - Mumbai 3. Odisha - Puri	2 40 00 000	2 38 11 867	10 61 11 867	Implementing Agency - Reliance Foundation*
7	Skilling and Employment Initiative	CI (ii) Employment enhancing vocational skills	1. Andhra Pradesh - Vishakapattinam 2. Assam - Guwahati 3. Chhatisgarh - Raipur 4. Delhi - Delhi 5. Haryana - Gurgaon 6. Madhya Pradesh - Bhopal 7. Tamilnadu - Chennai 8. Rajasthan - Udaipur, Jaipur 9. Gujarat - Ahmedabad; 10. Karnataka - Bengaluru 11. Odisha - Bhubaneswar 12. Jharkhand - Ranchi 13. Kerala - Ernakulam 14. Maharashtra - Pune 15. Punjab - Punjab 16. Telangana - Hyderabad 17. Uttar Pradesh - Lucknow 18. Uttarakhand - Uttarakhand 19. West Bengal - Kolkata	3 00 00 000	3 05 84 267	9 23 36 159	Implementing Agency - Reliance Foundation*
8	Education- Dhirubhai Ambani Scholarships	CI (ii) Promoting Education	Maharashtra - Mumbai	4 00 00 000	4 17 70 000	4 17 70 000	Implementing Agency - Reliance Foundation*
9	Education - Partnerships with Non- Government Organisations	CI (ii) Promoting Education	1. Delhi - Delhi 2. Maharashtra - Mumbai, Nagpur	4 00 00 000	4 09 06 381	4 09 06 381	Implementing Agency - Reliance Foundation*
10	Partnership with Non- Government Organizations	CI (ii) Promoting Education	Maharashtra - Mumbai	11 00 000	10 42 000	10 42 000	Implementing Agency - Reliance Foundation*

Sr. No.	CSR project or Activity Identified	Sector in which the project is covered (clause no. of Schedule VII to the Companies Act, 2013, as amended)	Project of Program (1) Local Area or Other (2) Specify the State and district where projects or programs was Undertaken	Amount Outlay (Budget) Project or Program Wise (Amount in ₹)	Amount spent on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (Amount in ₹)	Cumulative Expenditure upto the reporting period i.e. FY 2019-20 (Amount in ₹)	Amount Spent Direct or through Implementing Agency
11	Environment- RF - Urban Renewal Initiatives	CI (iv) Ensuring environmental sustainability, ecological balance	Maharashtra - Mumbai	40 00 000	36 24 989	36 24 989	Implementing Agency - Reliance Foundation*
12	RF Junior NBA	CI (vii) Training to promote rural sports, Nationally recognised sports, paralympic sports and Olympic Sports	Maharashtra - Mumbai	2 00 00 000	2 11 83 950	5 11 83 950	Implementing Agency - Reliance Foundation*
13	RF Young Champs	CI (vii) Promoting rural sports, Nationally recognized sports and Olympic sports	Maharashtra - Mumbai	4 50 00 000	4 37 43 890	4 37 43 890	Implementing Agency - Reliance Foundation*
14	Partnership with Non- Government Organisations	CI (vii) Promoting rural sports, Nationally recognized sports and Olympic sports	Maharashtra - Mumbai	60 00 000	57 87 221	57 87 221	Implementing Agency - Reliance Foundation*
15	Promoting Grassroot Sports	CI (vii) Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	Maharashtra - Thane	10 00 00 000	10 00 00 000	10 00 00 000	Implementing Agency - Reliance Foundation Youth Sports [#]
			Total	50 15 00 000	50 15 00 000	93 29 92 605	

* Reliance Foundation (RF) is a company within the meaning of Section 8 of the Companies Act, 2013 and has a comprehensive approach towards development with an overall aim to create and support meaningful and innovative activities that address some of India's most pressing developmental challenges, with the aim of enabling lives, living and livelihood for a stronger and inclusive India. RF has an established track record of more than three years in undertaking such projects and programs.

[#] Reliance Foundation Youth Sports (RFYS), a company within meaning of Section 8 of the Companies Act, 2013 has a comprehensive approach towards development of grassroot sports.

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy is in compliance with CSR objectives and policy of the Company.

Ranjit V Pandit
(Chairman, CSR Committee)

Sanjay Jog
(Director)

Date: April 28, 2020
Place: Mumbai

Annexure II

SECRETARIAL AUDIT REPORT*For the Financial Year ended March 31, 2020**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014]*

To,
The Members,
Reliance Retail Limited
 3rd Floor, Court House
 Lokmanya Tilak Marg
 Dhobi Talao
 Mumbai- 400 002

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Reliance Retail Limited (“the Company”)**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and provided either as hard copies or scanned copies by email or through permitted access to the Company’s in-house portal and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 (**“the Financial Year”**), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year according to the provisions of:

- i) The Companies Act, 2013 (**“the Act”**) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder- **Not Applicable to the Company during the Audit Period;**
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of **Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;**
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)

Regulations, 2011- **Not Applicable to the Company during the Audit Period;**

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - ***Not Applicable to the Company during the Audit Period;**
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not Applicable to the Company during the Audit Period;**
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014- **Not Applicable to the Company during the Audit Period;**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not Applicable to the Company during the Audit Period;**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable to the Company during the Audit Period;**
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not Applicable to the Company during the Audit Period;** and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable to the Company during the Audit Period.**

* The Company being a material subsidiary of Reliance Industries Limited (“RIL”), directors and certain employees of the Company have been categorised as Designated Persons and are covered by the Code of Conduct under The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, of RIL. We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii) The Listing Agreements entered into by the Company with Stock Exchange(s) - **Not Applicable to the Company during the Audit Period;**
- iii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if applicable – **Not Applicable to the Company during the Audit Period;**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that, the Company has identified the following laws as specifically applicable to the Company:

- i) The Food Safety and Standards Act, 2006 and Rules;
- ii) The Legal Metrology Act 2009 and Rules;
- iii) State Agriculture Produce Marketing Act;
- iv) The Bureau of Indian Standards Act, 2016;
- v) The Trade Marks Act, 1999

We further report that-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for two Board Meetings where consent for shorter notice was obtained and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions made at Board Meetings and Committee Meetings have unanimous consent as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that having regard to the compliance system prevailing in the Company and as per explanations and management representations obtained and relied upon by me the Company has adequate systems and processes commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period the Company has done the following transactions in due compliance with the applicable provisions of Act-

- a) Approved allotment of equity shares pursuant to Reliance Retail Employees Restricted Stock Unit Plan 2007;
- b) Approved scheme of arrangement amongst the Company, equity shareholders of the Company and Pranatharthi Commercial Private Limited.

**For Shashikala Rao & Co.
Company Secretaries**

Shashikala Rao
Practising Company Secretary
FCS 3866 CP No 9482
UDIN F003866B000184827

Place: Mumbai
Date: April 28, 2020

Reliance Retail Limited
Standalone Financial Statements
31st March, 2020

Independent Auditor's Report

To The Members of Reliance Retail Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Reliance Retail Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting

policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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 with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting with reference to these standalone financial statements.
 - g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements as referred to in Note 30 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

For D T S & Associates LLP

Chartered Accountants

(Firm's Registration No. 142412W/W100595)

Saurabh Pamecha

Partner

Membership No. 126551

MUMBAI, April 28, 2020

(UDIN: 20126551AAAADB7591)

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Ketan Vora

Partner

Membership No. 100459

MUMBAI, April 28, 2020

(UDIN: 20100459AAAAM8250)

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on other legal and regulatory requirements’ section of our report of even date to the members of Reliance Retail Limited for the year ended 31st March, 2020)

Report on the internal financial controls over financial reporting under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Reliance Retail Limited (“the Company”) as of 31st March, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s responsibility for internal financial controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s responsibility

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

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

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

Meaning of internal financial controls over financial reporting with reference to these standalone financial statements

A company’s internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s

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

Inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at 31st March, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For D T S & Associates LLP

Chartered Accountants

(Firm's Registration No. 142412W/W100595)

Saurabh Pamecha

Partner

Membership No. 126551

MUMBAI, April 28, 2020

(UDIN: 20126551AAAADB7591)

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Ketan Vora

Partner

Membership No. 100459

MUMBAI, April 28, 2020

(UDIN: 20100459AAAAM8250)

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on other legal and regulatory requirements’ section of our report of even date to the members of Reliance Retail Limited for the year ended 31st March, 2020)

- i. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds provided to us, we report that, the title deeds, comprising all the immovable properties of lands which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements for the said lands are in the name of the Company.
- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- vii. According to the information and explanations given to us, 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, Customs Duty, Goods and Service Tax, Cess and other material statutory dues applicable to it to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2020 for a period of more than six months from the date they became payable.
 - b) Details of dues of Income Tax, Sales Tax, Excise Duty and Value Added Tax which have not been deposited as on 31st March 2020 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount (Rs. in crore)
Central Sales Tax Act, 1956 and Sales Tax Act of various states	Sales Tax/ Value Added Tax and Entry Tax	Value Added Tax Appellate Tribunal	2009-10	0.10
		Appellate Authority	2011-12, 2018-19 to 2019-20	0.18
		The Appellate Deputy Commissioner	2011-12 to 2013-14, 2017-18,	0.43
Central Excise Act, 1944	Excise Duty	Customs, Excise and Service Tax Appellate Tribunal	2010-11 to 2012-13	3.98
Central Excise Act, 1944	Excise Duty	Commissioner of Central Excise (Appeals)	2010-11 to 2011-12	0.01

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans to banks and dues to debenture holders. The Company has not borrowed any funds from financial institution or government.
- ix. The Company has not raised moneys 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 raised.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company has been noticed or reported during the year except there have been instances of defalcation / frauds by employees on the Company which individually and in aggregate are not material.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them, and hence provisions of Section 192 of the Act, are not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For D T S & Associates LLP

Chartered Accountants

(Firm's Registration No. 142412W/W100595)

Saurabh Pamecha

Partner

Membership No. 126551

MUMBAI, April 28, 2020

(UDIN: 20126551AAAADB7591)

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Ketan Vora

Partner

Membership No. 100459

MUMBAI, April 28, 2020

(UDIN: 20100459AAAAJM8250)

Standalone Balance Sheet as at 31st March, 2020

	Note	As at 31st March, 2020	As at 31st March, 2019	₹ crore As at
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	1	7,185.34	6,067.50	
Capital Work-in-Progress	1	6,068.34	2,533.09	
Intangible Assets	1	981.80	1,091.03	
Intangible Assets under Development	1	2,752.74	1,788.99	
		<u>16,988.22</u>	<u>11,480.61</u>	
Financial Assets				
Investments	2	578.24	573.24	
Loans	3	2,436.10	1,122.14	
Deferred Tax Assets (net)	4	-	-	
Other Non-Current Assets	5	222.91	145.29	
Total Non-Current Assets		20,225.47		13,321.28
Current Assets				
Inventories	6	9,348.16	11,291.83	
Financial Assets				
Investments	7	-	3,002.89	
Trade Receivables	8	2,489.10	4,330.17	
Cash and Cash Equivalents	9	334.50	329.69	
Other Financial Assets	10	1,508.67	381.30	
Other Current Assets	11	1,660.01	1,720.39	
Total Current Assets		15,340.44		21,056.27
Total Assets		35,565.91		34,377.55
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	12	4,990.40	4,989.54	
Other Equity	13	13,124.78	7,597.87	
Total Equity		18,115.18		12,587.41
Liabilities				
Non-Current Liabilities				
Provisions	14	38.10	26.68	
Deferred tax liability (net)	15	908.20	22.85	
Total Non-Current Liabilities		946.30		49.53
Current Liabilities				
Financial Liabilities				
Borrowings	16	4,665.74	12,800.56	
Trade Payables Due to:				
Micro and Small Enterprise	17	33.97	13.03	
Other than Micro and Small Enterprise		5,642.87	4,109.07	
Other Financial Liabilities	18	5,109.43	4,142.12	
Provisions	19	3.09	1.99	
Other Current Liabilities	20	1,049.33	673.84	
Total Current Liabilities		16,504.43		21,740.61
Total Liabilities		17,450.73		21,790.14
Total Equity and Liabilities		35,565.91		34,377.55
Significant accounting policies				
See accompanying Notes to the Financial Statements	1 to 37			

As per our Report of even date

For and on behalf of the Board

For D T S & Associates LLP
Chartered Accountants
(Firm Registration
No. 142412W/W100595)

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

V. Subramaniam
Whole-Time Director

Pankaj Pawar
Director

Sanjay Jog
Director

Saurabh Pamecha
Partner
Membership No. 126551

Ketan Vora
Partner
Membership No. 100459

Geeta Fulwadaya
Director

Prof. Dipak C. Jain
Director

K Sudarshan
Director

Place: Mumbai
Date: 28th April 2020

Ranjit V Pandit
Director

Dinesh Thapar
Chief Financial Officer

K Sridhar
Company Secretary

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

	Note	2019-20	₹ crore 2018-19
INCOME			
Value of Sales		132,450.76	106,786.81
Income from Services		14,273.49	9,014.32
Value of Sales & Services (Revenue)		146,724.25	115,801.13
Less: GST recovered		16,356.89	13,854.61
Revenue from Operations	21	130,367.36	101,946.52
Other Income	22	260.35	112.03
Total Income		130,627.71	102,058.55
EXPENSES			
Cost of Materials Consumed		2.99	3.20
Purchases of Stock-in-Trade		109,025.98	87,260.47
Changes in Inventories of Finished Goods and Stock-in-Trade	23	1,974.68	(820.13)
Employee Benefits Expense	24	943.86	896.99
Finance Costs	25	867.03	611.70
Depreciation and Amortisation Expense	1	1,108.85	601.69
Other Expenses	26	9,280.90	8,685.85
Total Expenses		123,204.29	97,239.77
Profit before Tax		7,423.42	4,818.78
Tax expenses			
Current Tax			
For Current year	27	1,001.22	1,037.29
For Earlier years		(2.94)	-
Deferred Tax	4 & 15	8 85.35	643.23
		1,883.63	1,680.52
Profit for the year		5,539.79	3,138.26
Other Comprehensive Income			
Items that will not be reclassified to Statement of profit and loss	24.1	(14.90)	1.90
Income tax relating to items that will not be reclassified to Statement of profit and loss		(2.00)	0.41
Total Other Comprehensive Income for the year (Net of tax)		(12.90)	1.49
Total Comprehensive Income for the year		5,526.89	3,139.75
Earnings per equity share of face value of ₹ 10 each			
Basic (in ₹)	29	10.41	5.90
Diluted (in ₹)	29	8.77	4.97
Significant accounting policies			
See accompanying Notes to the Financial Statements	1 to 37		

As per our Report of even date

For and on behalf of the Board

For D T S & Associates LLP
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Membership No. 100459

Geeta Fulwadaya
Director

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Director

K Sudarshan
Director

Place: Mumbai
Date: 28th April 2020

Ranjit V Pandit
Director

Dinesh Thapar
Chief Financial Officer

K Sridhar
Company Secretary

Standalone 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				
	4,989.54	-	4,989.54	0.86	4,990.40				
B. Other Equity									
	Instruments Classified as Equity			Reserves & Surplus				Other Comprehensive Income	Total
	8.5% Non Cumulative Optionally Convertible Preference Shares (OCPS) of ₹ 10 each, ₹ 2.50 paid up	Call Money towards OCPS	Compulsorily Convertible Debentures of ₹ 10,00,000 each, fully paid up	Capital Reserve	Securities Premium	Retained Earnings	Total Reserves		
As at 31st March 2019									
Balance at the beginning of reporting period 1st April, 2018	200.00	-	330.00	55.11	800.00	2,690.88	3,545.99	0.93	4,076.92
Call Money towards OCPS	-	381.20	-	-	-	-	-	-	381.20
Total Comprehensive income for the year	-	-	-	-	-	3,138.26	3,138.26	1.49	3,139.75
Balance at the end of reporting period 31st March, 2019	200.00	381.20	330.00	55.11	800.00	5,829.14	6,684.25	2.42	7,597.87
As at 31st March, 2020									
Balance at the beginning of reporting period 1st April, 2019	200.00	381.20	330.00	55.11	800.00	5,829.14	6,684.25	2.42	7,597.87
Call Money towards OCPS	-	0.02	-	-	-	-	-	-	0.02
Total Comprehensive income for the year	-	-	-	-	-	5,539.79	5,539.79	(12.90)	5,526.89
Balance at the end of reporting period 31st March, 2020	200.00	381.22	330.00	55.11	800.00	11,368.93	12,224.04	(10.48)	13,124.78

As per our Report of even date

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Saurabh Pamecha
Partner
Membership No. 126551

Ketan Vora
Partner
Membership No. 100459

Place: Mumbai
Date: 28th April 2020

For and on behalf of the Board

V. Subramaniam
Whole-Time Director

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Director

K Sudarshan
Director

Ranjit V Pandit
Director

Dinesh Thapar
Chief Financial Officer

K Sridhar
Company Secretary

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

	2019-20	2018-19
A: CASH FLOW FROM OPERATING ACTIVITIES		₹ crore
Net Profit Before Tax as per Statement of Profit and Loss	7,423.42	4,818.78
Adjusted for:		
(Profit)/ Loss on Sale/ Discarding of Property, Plant and Equipment (Net)	44.04	28.97
Depreciation and Amortisation Expense	1,108.85	601.69
Effect of Exchange Rate Change	8.20	34.75
Net Gain on Financial Assets	(66.53)	(23.26)
Dividend income	-	(4.79)
Interest Income	(193.82)	(82.54)
Finance Costs	867.03	611.70
	<u>1,767.77</u>	<u>1,166.52</u>
Operating Profit before Working Capital Changes	9,191.19	5,985.30
Adjusted for:		
Trade and Other Receivables	785.73	(2,053.94)
Inventories	1,943.67	(826.55)
Trade and Other Payables	5,640.68	(439.99)
	<u>8,370.08</u>	<u>(3,320.48)</u>
Cash Generated from Operations	17,561.27	2,664.82
Taxes Paid (Net)	(1,087.35)	(950.31)
Net Cash Flow From Operating Activities*	16,473.92	1,714.51
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and Intangible Assets	(7,185.24)	(4,783.88)
Proceeds from disposal of Property, Plant and Equipment and Intangible Assets	492.13	49.38
Investment in Subsidiaries/ Joint Ventures	(2.50)	(2.50)
Purchase of Other Investments	(55,931.01)	(16,795.04)
Proceeds from Sale of Financial Assets	59,000.43	16,781.97
Net Cash Flow From Other Financial Assets	(1,313.96)	(659.67)
Share application money paid	-	(2.50)
Interest Income	179.90	37.30
Dividend income	-	4.79
Net Cash Flow Used in Investing Activities	(4,760.25)	(5,370.15)
C: CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Preference Share	0.02	381.20
Proceeds from Issue of Equity Share	0.86	-
Repayment of Borrowings - Non Current	-	(0.22)
Borrowings - Current (Net)	(8,134.82)	9,352.76
Movement in Deposits	(2,720.11)	(2,292.44)
Interest Paid	(854.81)	(609.20)
Net Cash Flow from / (Used in) Financing Activities	(11,708.86)	6,832.10
Net Increase/(Decrease) in Cash and Cash Equivalents	4.81	3,176.46
Opening Balance of Cash and Cash Equivalents	329.69	156.12
Closing balance of Cash and Cash Equivalents	334.50	3,332.58
Cash and Cash Equivalents:		
Cash and Cash Equivalents as above	334.50	3,332.58
Less:		
Investment in Liquid Mutual Funds (Note 7)	-	(3,002.89)
Cash and Cash Equivalents (Refer note 9)	334.50	329.69

*Amount spent in Cash towards Corporate Social Responsibility is ₹ 50.15 crore (Previous Year ₹ 21.06 crore).

As per our Report of even date

For and on behalf of the Board

For D T S & Associates LLP
Chartered Accountants
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No. 142412W/W100595)

For Deloitte Haskins & Sells LLP
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K Sudarshan
Director

Place: Mumbai
Date: 28th April 2020

Ranjit V Pandit
Director

Dinesh Thapar
Chief Financial Officer

K Sridhar
Company Secretary

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

A. Corporate Information

Reliance Retail Limited (“the Company”) is a public limited company incorporated in India having its registered office at 3rd floor, Court House, Lokmanya Tilak Marg, Dhobi Talao, Mumbai 400002, 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 spanning across various consumption baskets 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 following assets and liabilities which have been measured at fair value amount:

- i) Certain Financial Assets and Liabilities (including derivative instruments),
- ii) Defined Benefit Plans - Plan Assets and
- iii) Equity settled Share Based Payments

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

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

B.2 Summary of Significant Accounting Policies

(a) Current and Non-Current Classification

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

An asset is treated as Current when it is -

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

All other assets are classified as non-current.

A liability is current when -

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

The Company classifies all other liabilities as non-current.

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

(b) Property, Plant and Equipment

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

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

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.

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

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

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

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 Intangible Assets Under Development.

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

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

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

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

(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 except Gold and silver is determined on FIFO basis. Inventories of Gold / Silver are adjusted with gains / loss on qualifying fair value hedges.

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

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

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

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

(j) Provisions

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

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

(k) Contingent Liabilities

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence

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

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, Superannuation Fund and Pension Scheme.

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

Defined Benefit Plans

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

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

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

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

(m) Tax Expenses

The tax expenses for the period comprises of 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 which case, the tax is also recognised in Other Comprehensive Income or Equity.

i) Current Tax

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

ii) Deferred Tax

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

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or

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

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 Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to 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).

(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.

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. Generally the credit period does not exceed 90 days for sale of goods or services as the case may be.

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

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

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 or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

B. Subsequent Measurement

a) Financial Assets 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.

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

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

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

C. Investment in Subsidiaries, Associates and Joint Ventures

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

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

D. Other Equity Investments

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

E. Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses "Expected Credit Loss" (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

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 and Hedge Accounting

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

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

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

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

A. Cash Flow Hedge

The Company designates derivative contracts or non-derivative Financial Assets / Liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of Other Comprehensive Income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

B. Fair Value Hedge

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

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

iv) Derecognition of Financial Instruments

The Company derecognizes a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for derecognition under Ind 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) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable.

A sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification.

Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less cost of sell and are presented separately in the Balance Sheet.

(s) 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

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

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

(b) Recoverability of Trade Receivable

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

(c) Provisions

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

(d) Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, 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 group 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 transactions 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.

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

(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 31 of financial statements.

(h) Leases

With effect from 1st April 2019, Ind AS 116 – “Leases” (Ind AS 116) supersedes Ind AS 17 – “Leases”. The Company has adopted Ind AS 116 using the prospective approach. The Company evaluated if an arrangement qualifies to be a lease as per requirements of Ind AS 116. Identification of lease requires significant judgement. Large portion of the Company’s leases are cancellable by both lessor and lessee or are arrangements which qualify as variable leases and hence are not considered for recognition of Right of Use Asset and lease liabilities. There are few lease arrangements which are cancellable only at the option of the lessee but have not been considered for recognition of Right of Use Assets and lease liabilities on grounds of materiality and exercisability.

(i) Estimation uncertainty 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. The Telecom recharge and the Grocery business of the Company is continuing and largely remains unaffected. Management expects some impact on the margins in Consumer electronics and durables as well as Fashion and apparel business. However it is expected to see growth in the Digital commerce business. 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 Standalone Financial Statements for the year ended 31st March, 2020

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

₹ crore

Description	Gross Block			Depreciation/ Amortisation				Net Block		
	As at 1st April, 2019	Additions	Deductions/ Adjustments	As at 31st March, 2020	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
Property, Plant and Equipment										
Own assets:										
Freehold land	14.21	-	-	14.21	-	-	-	-	14.21	14.21
Buildings	17.22	-	-	17.22	1.48	0.29	-	1.77	15.45	15.74
Plant and machinery	1,130.59	113.91	897.39	347.11	430.42	122.91	401.25	152.08	195.03	700.17
Electrical installations	2,124.76	680.62	26.56	2,778.82	538.39	233.70	14.91	757.18	2,021.64	1,586.37
Equipment	3,034.82	804.22	40.43	3,798.61	850.00	285.69	19.54	1,116.15	2,682.46	2,184.82
Furniture and fixtures	1,158.62	580.81	10.65	1,728.78	294.20	136.71	4.73	426.18	1,302.60	864.42
Vehicles	9.28	-	7.71	1.57	7.47	0.65	7.05	1.07	0.50	1.81
Leasehold improvements	1,135.05	365.12	8.71	1,491.46	455.76	110.50	7.80	558.46	933.00	679.29
Sub-Total	8,624.55	2,544.68	991.45	10,177.78	2,577.72	890.45	455.28	3,012.89	7,164.89	6,046.83
Right-of-Use Assets:										
Leasehold land	25.29	-	-	25.29	4.62	0.22	-	4.84	20.45	20.67
Sub-Total	25.29	-	-	25.29	4.62	0.22	-	4.84	20.45	20.67
Total (i)	8,649.84	2,544.68	991.45	10,203.07	2,582.34	890.67	455.28	3,017.73	7,185.34	6,067.50
Intangible assets										
Trademark	135.00	0.66	-	135.66	0.04	13.55	-	13.59	122.07	134.96
Software	983.26	108.29	-	1,091.55	27.19	204.63	-	231.82	859.73	956.07
Total (ii)	1,118.26	108.95	-	1,227.21	27.23	218.18	-	245.41	981.80	1,091.03
Total (i+ii)	9,768.10	2,653.63	991.45	11,430.28	2,609.57	1,108.85	455.28	3,263.14	8,167.14	7,158.53
Previous year	5,297.64	4,680.90	210.44	9,768.10	2,138.69	601.69	130.81	2,609.57	7,158.53	
Capital work-in-progress									6,068.34	2,533.09
Intangible Assets under Development									2,752.74	1,788.99

1.1 Capital Work-in-Progress and Intangible Assets Under Development Includes :

i) CWIP include:

- ₹ 78.16 crore (Previous year ₹ 322.19 crore) on account of Capital Goods Inventory.
- ₹ 5,990.18 crore (Previous year ₹ 2,210.90 crore) relate to projects under implementation for new business initiatives.

ii) Intangible Assets Under Development Includes ₹ 2,752.74 crore (Previous year ₹ 1,788.99 crore) on account of Project Development Expenditure.

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

2. Investments - Non-Current	As at 31st March, 2020		As at 31st March, 2019	
	Units	₹ crore	Units	₹ crore
Investments measured at Amortised Cost				
Government and other securities - unquoted				
National Savings Certificates - 6 yrs Issue VII (Includes deposited with government authorities)		0.29		0.29
Total of Investments measured at Amortised Cost		<u>0.29</u>		<u>0.29</u>
Investments measured at Cost				
In Equity Shares of Subsidiary Companies - Unquoted, Fully paid up				
Reliance Petro Marketing Limited of ₹ 10 each	50,000	0.05	50,000	0.05
Reliance-GrandOptical Private Limited of ₹ 10 each	50,000	0.05	50,000	0.05
Reliance Clothing India Private Limited of ₹ 10 each	50,000	0.05	50,000	0.05
		<u>0.15</u>		<u>0.15</u>
In Equity Shares of Joint Ventures - Unquoted, Fully Paid Up				
Reliance-Vision Express Private Limited of ₹10 each	9,70,00,000	97.00	9,20,00,000	92.00
Marks and Spencer Reliance India Private Limited (Class A Shares of ₹ 10 each)	81,42,722	55.87	81,42,722	55.87
Marks and Spencer Reliance India Private Limited (Class C Shares of ₹ 5 each)	9,51,16,546	225.66	9,51,16,546	225.66
Reliance-GrandVision India Supply Private Limited of ₹ 10 each	1,35,00,000	13.50	1,35,00,000	13.50
		<u>392.03</u>		<u>387.03</u>
In preference shares of subsidiary companies unquoted, fully paid up				
Reliance Petro Marketing Limited of ₹ 10 each (10% Non Cumulative Optionally Convertible Preference Shares)	39,95,800	103.89	39,95,800	103.89
		<u>103.89</u>		<u>103.89</u>
Total of Investments measured at Cost		<u>496.07</u>		<u>491.07</u>
Investments measured at Fair Value through Other Comprehensive Income				
In equity shares - Unquoted, fully paid up				
KaiOS Technologies Inc (KTI) of USD 0.01 each	19,04,781	45.54	19,04,781	45.54
In Preferred shares - Unquoted, fully paid up				
KaiOS Technologies Inc (KTI) of USD 0.01 each	6,25,000	36.33	6,25,000	36.33
		<u>81.87</u>		<u>81.87</u>
Investments measured at Fair Value through Profit & Loss				
In Equity shares - Unquoted, Fully Paid up				
The Colaba Central Co-operative Consumer's Wholesale and Retail Stores Limited (Sahakari Bhandar) of ₹ 200 each - (₹ 5 000)	25	0.00	25	0.00
Retailers Association's Skill Council of India of ₹ 100 each (₹ 50 000)	500	0.01	500	0.01
Total of Investments measured at Fair Value through Profit & Loss		<u>0.01</u>		<u>0.01</u>
Total Investments - Non-Current		<u>578.24</u>		<u>573.24</u>
Aggregate amount of Unquoted investments		<u>578.24</u>		<u>573.24</u>

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

				₹ crore	
2.1	Category-wise investments - Non current	As at	As at	As at	As at
		31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
	Financial assets measured at Amortised Cost	0.29		0.29	0.29
	Financial assets measured at Cost	496.07		491.07	491.07
	Financial assets measured at Fair value through Other Comprehensive Income(FVTOCI)	81.87		81.87	81.87
	Financial assets measured at Fair value through Profit & Loss (FVTPL)	0.01		0.01	0.01
	Total investments - Non current	578.24		573.24	573.24
3.	Loans - Non current (Unsecured and Considered Good)	As at	As at	As at	As at
		31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
	Loans and advances to Related Parties (Refer note 33(ii))	2,406.10		1,122.14	1,122.14
	Loans and advances to Others	30.00		-	-
		2,436.10		1,122.14	1,122.14
3.1	Loans and Advances in the Nature of Loans Given to Subsidiary/ Fellow Subsidiaries				
Sr No	Name of the company	As at	Maximum balance	As at	Maximum balance
		31st March, 2020	during the year	31st March, 2019	during the year
1	Reliance Clothing India Private Limited	78.47	79.12	71.05	71.05
2	Reliance Brands Limited	2,235.45	2,235.45	1,051.09	1,051.09
3	Shri Kannan Departmental Store Private Limited	92.18	92.18	-	-
	Total	2,406.10	2,406.75	1,122.14	1,122.14
(i)	All the above loans and advances has been given for the business purposes.				
(ii)	Loans and Advances shown above, fall under the category of 'Loans - Non- Current' are repayable within 3-5 years.				
4.	Deferred Tax Assets (Net)	As at	As at	As at	As at
		31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
	The movement on the deferred tax account is as follows:				
	At the start of the year	-		-	620.38
	Charge to profit or loss	-		-	620.38
	At the end of year	-		-	-
	Component of Deferred tax Assets / (liabilities)				
		As at	Charge to	As at	As at
		31st March, 2019	profit or loss	31st March, 2020	31st March, 2020
	Deferred tax asset in relation to:				
	Property, plant and equipment and Intangible Assets	(366.95)	549.32	(916.27)	(916.27)
	MAT Credit	335.44	335.44	-	-
	Disallowances	8.66	0.59	8.07	8.07
		(22.85)	885.35	(908.20)	(908.20)

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

	As at 31st March, 2020	As at 31st March, 2019
5. Other Non-Current Assets <i>(unsecured and considered good)</i>		
Capital Advances	31.83	45.05
Deposits ⁽ⁱ⁾	3.60	5.38
Advance Income Tax (Net of provision) ⁽ⁱⁱ⁾	184.84	93.77
Other Loans and Advances ⁽ⁱⁱⁱ⁾	2.64	1.09
Total	222.91	145.29
⁽ⁱ⁾ Deposits Given to Statutory Authorities		
⁽ⁱⁱ⁾ Advance Income Tax (Net of Provision)		
At start of year	93.77	181.16
Charge for the year - Current Tax	(998.28)	(1,037.29)
Others *	2.00	(0.41)
Tax paid (Net) during the year	1,087.35	950.31
At end of year	184.84	93.77
* Mainly pertains to Provision for Tax on Other Comprehensive Income		
⁽ⁱⁱⁱ⁾ Represents Loan to Employees.		
6. Inventories <i>(valued at lower of cost or net realisable value)</i>		
Raw materials	0.25	0.85
Finished goods	-	0.03
Stock-in-trade (Including Stock in Transit)	9,254.79	11,229.44
Stores and spares	93.12	61.51
Total	9,348.16	11,291.83
7. Investments - Current		
Investments Measured at Fair Value Through Profit & Loss		
In Mutual funds - Unquoted	-	3,002.89
Total Investments - Current	-	3,002.89
Aggregate amount of Unquoted investments	-	3,002.89
8. Trade Receivables <i>(unsecured and considered good)</i>		
Trade Receivables	2,489.10	4,330.17
Total	2,489.10	4,330.17

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

	As at 31st March, 2020	As at 31st March, 2019
₹ crore		
9. Cash and Cash Equivalents		
Cash on Hand	41.30	91.39
Balances with Banks ^{(i),(ii) & (iii)}	293.20	238.30
Cash and cash Equivalents as per Balance Sheet / Cash Flow Statement	334.50	329.69
⁽ⁱ⁾ Includes Deposits ₹ 0.17 crore (Previous year ₹ 25.24 crore) with maturity period of more than 12 months.		
⁽ⁱⁱ⁾ Includes Deposits ₹ 121.75 crore (Previous year ₹ 51.05 crore) held by Tax Authority as security and by bank as margin money for bank guarantees, forward contracts and working capital loan.		
⁽ⁱⁱⁱ⁾ Includes Deposits ₹ 8 crore (Previous year ₹ 6 crore) held as Deposit Reserve Fund.		
9.1 Cash and Cash Equivalents include deposits maintained by the Company with banks, which can be withdrawn by the Company at any point of time without prior notice or penalty on the principal.		
₹ crore		
10. Other Financial Assets - Current		
Interest accrued on investments	0.13	0.11
Deposits	1,054.70	254.38
Share application money paid	-	2.50
Others ⁽ⁱ⁾	453.84	124.31
Total	1,508.67	381.30
⁽ⁱ⁾ Others include Fair value of Derivatives & Interest receivable.		
₹ crore		
11. Other Current Assets <i>(unsecured and considered good)</i>		
Balance with Customs, Central Excise, GST and State Authorities, etc.	1,019.74	885.55
Others ⁽ⁱ⁾	640.27	834.84
Total	1,660.01	1,720.39
⁽ⁱ⁾ Includes Advances to Employees and Vendors.		
₹ crore		
12. Share capital		
Authorised Share Capital		
1350,00,00,000 Equity shares of ₹ 10 each (1350,00,00,000)	13,500.00	13,500.00
150,00,00,000 Preference shares of ₹ 10 each (150,00,00,000)	1,500.00	1,500.00
Total	15,000.00	15,000.00
Issued, Subscribed and Paid up:		
499,04,04,513 Equity shares of ₹ 10 each fully paid up (498,95,41,650)	4,990.40	4,989.54
Total	4,990.40	4,989.54

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

- 12.1 **498,70,26,060** (498,70,26,060) Shares are held by Reliance Retail Ventures Limited, the holding company.
- 12.2 **498,95,41,650** shares were allotted pursuant to the Scheme of Arrangement and Amalgamation without payment (498,95,41,650) being received in cash.

12.3 **The details of Shareholders holding more than 5% shares :**

Name of the Shareholders	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% held	No. of Shares	% held
Reliance Retail Ventures Limited (Holding Company)	498,70,26,060	99.93	498,70,26,060	99.95

12.4 **The Reconciliation of the number of shares outstanding is set out below :**

Particulars	As at	As at
	31st March, 2020 No. of shares	31st March, 2019 No. of shares
Equity shares at the beginning of the year	498,95,41,650	498,95,41,650
Add: Equity shares issued during the year	8,62,863	-
Equity shares at the end of the year	499,04,04,513	498,95,41,650

- 12.5 The Company is authorised to issue up to forty nine crore Restricted Stock Units (RSUs) to eligible employees under Reliance Retail Restricted Stock Unit Plan 2007. The RSUs vest on different dates over a period of sixteen years from the date of grant of RSUs as per the scheme and upon vesting, the employees are entitled to three equity shares of ₹ 10 each for every five RSUs. As on March 31, 2020, RSUs in force total to Three lakh thirty one thousand seven hundred and eighty nine (Previous year seventeen lakh sixty nine thousand eight hundred ninety four).

- 12.6 The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

13. Other Equity	As at	As at
	31st March, 2020	31st March, 2019
₹ crore		
Instruments Classified as Equity		
8.5% Non-Cumulative Optionally Convertible Preference Shares of ₹ 10 each, ₹ 2.5 paid up	200.00	200.00
Call Money towards OCPS		
As per last Balance Sheet	381.20	-
Add: Received during the year	0.02	381.20
	381.22	381.20
Compulsorily Convertible Debentures of ₹ 10,00,000 each, fully paid up	330.00	330.00
	911.22	911.20
Capital Reserve		
As per last Balance Sheet	55.11	55.11
Securities Premium		
As per last Balance Sheet	800.00	800.00

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

	₹ crore	
Retained Earnings	As at 31st March, 2020	As at 31st March, 2019
As per last Balance Sheet	5,829.14	2,690.88
Add: Profit for the year	<u>5,539.79</u>	<u>3,138.26</u>
	11,368.93	5,829.14
Other Comprehensive Income (OCI)		
As per last Balance Sheet	2.42	0.93
Add: Movement in OCI (Net) during the year	<u>(12.90)</u>	<u>1.49</u>
	<u>(10.48)</u>	<u>2.42</u>
Total	<u>13,124.78</u>	<u>7,597.87</u>

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

13.2 Details of Shareholder's holding more than 5% Preference Shares

(8.5% Non Cumulative Optionally Convertible Preference Shares)

Name of the Shareholders	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% held	No. of Shares	% held
Reliance Retail Ventures Limited (Holding Company)	79,99,89,606	99.99%	79,99,89,606	99.99%

13.3 Terms of 8.5% Non Cumulative Optionally Convertible Preference Shares (OCPS)

The OCPS shall be either redeemed at Rs. 50 per share or converted into 5 (Five) Equity Shares of Rs. 10 each at any time at the option of the Company, but not later than 10 years from the date of allotment of the OCPS i.e February 17, 2018.

13.4 Rights, Preferences and Restrictions attached to Preference Shares

The Company has one class of Preference Shares i.e. 8.5% Non Cumulative Optionally Convertible Preference Shares (OCPS) of Rs. 10/- per share. Such Preference Shares shall carry a preferential right over the Equity shares of the Company as regards to payment of dividend and repayment of capital, in the event of winding up of the Company. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. The OCPS shall carry voting rights prescribed under the provisions of the Companies Act, 2013.

13.5 The reconciliation of the number of 8.5% Non Cumulative Optionally Convertible Preference Shares outstanding is set out below :

Particulars	As at 31st March, 2020 No. of Shares	As at 31st March, 2019 No. of Shares
Preference Shares at the beginning of the year	80,00,00,000	80,00,00,000
Add: Preference Shares issued during the year	<u>-</u>	<u>-</u>
Preference Share Outstanding at the end of the year	<u>80,00,00,000</u>	<u>80,00,00,000</u>

₹ crore

14. Provisions - Non Current

	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits (Refer Note 24.1) ⁽ⁱ⁾	<u>38.10</u>	<u>26.68</u>
Total	<u>38.10</u>	<u>26.68</u>

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

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

	₹ crore	
15. Deferred Tax Liabilities (Net)	As at	As at
	31st March, 2020	31st March, 2019
The movement on the deferred tax account is as follows:		
At the start of the year	22.85	-
Charge to profit or loss	885.35	22.85
At the end of year	908.20	22.85
15.1 Refer Note 4 for Components of Deferred tax Assets / (liabilities)		
		₹ crore
16. Borrowings - Current	As at	As at
	31st March, 2020	31st March, 2019
Secured - At Amortised Cost		
Working Capital Loan		
From Banks ⁽ⁱ⁾	1,301.48	483.91
Unsecured - At Amortised Cost		
Loans and Advances from related parties ⁽ⁱⁱ⁾	70.56	-
Other Loans and Advances		
From Banks ⁽ⁱⁱⁱ⁾	2,800.00	64.96
From Others	-	
Commercial Paper ^(iv)	493.70	12,251.69
Total	4,665.74	12,800.56
⁽ⁱ⁾ Working Capital Loans from Banks referred above to the extent of: - ₹ 1,301.48 crore (Previous year ₹ 483.84 crore) are secured by way of first charge on all the current assets of the company. - ₹ Nil (Previous year ₹ 0.07 crore) are secured by way of lien on Fixed Deposits.		
⁽ⁱⁱ⁾ Represents Inter Corporate Deposits (ICD) from Holding company.		
⁽ⁱⁱⁱ⁾ Represents Working Capital Demand Loan (WCDL) taken.		
^(iv) Maximum amount outstanding at any time during the year was ₹ 19,700 crore (Previous year ₹ 13,550 crore)		
16.1 Refer note 32 for maturity profile.		
		₹ crore
17. Trade Payables Due to	As at 31st March, 2020	As at 31st March, 2019
Micro and Small Enterprises	33.97	13.03
Others	5,642.87	4,109.07
	5,676.84	4,122.10
Total	5,676.84	4,122.10
17.1 There are no overdue amounts outstanding to Micro and Small Enterprises as at March 31st, 2020.		
		₹ crore
18. Other Financial Liabilities - Current	As at	As at
	31st March, 2020	31st March, 2019
Interest Accrued but not due on Borrowings	14.74	2.52
Creditors for Capital Expenditure	85.01	130.84
Other Payables ⁽ⁱ⁾	5,009.68	4,008.76
	5,109.43	4,142.12
⁽ⁱ⁾ Includes Security Deposits Received and Financial Liability at fair Value		

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

	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
19. Provisions - Current		
Provision for employee benefits (Refer Note 24.1) ⁽ⁱ⁾	3.09	1.99
Total	<u>3.09</u>	<u>1.99</u>
⁽ⁱ⁾ The provision for employee benefit includes gratuity, annual leave and vested long service leave entitlement accrued and compensation claims made by employees.		
20. Other Current Liabilities		
Revenue received in advance	373.31	313.24
Other Payables ^{(i) and (ii)}	676.02	360.60
	<u>1,049.33</u>	<u>673.84</u>
⁽ⁱ⁾ Includes Statutory Dues and Advances from Customers.		
⁽ⁱⁱ⁾ Includes ₹ 134.75 crore (Previous year ₹ 49.24 crore) received towards sale of Jewellery products under various sale initiatives/retail customer programmes.		
21. Revenue from Operations	2019-20	2018-19
Value of Sales	1,18,001.65	94,255.01
Income from Services	12,365.71	7,691.51
Total*	<u>1,30,367.36</u>	<u>1,01,946.52</u>
* Net of GST		
22. Other Income	2019-20	2018-19
Interest		
Bank Deposits	10.49	6.09
Debt Instruments	167.95	66.46
Others	15.38	9.99
	<u>193.82</u>	<u>82.54</u>
Gain on Financial Assets		
Realised Gain	69.42	20.37
Unrealised Gain	(2.89)	2.89
	<u>66.53</u>	<u>23.26</u>
Dividend income	-	4.79
Other Non-Operating Income	-	1.44
Total	<u>260.35</u>	<u>112.03</u>

Above Other Income comprises of assets measured at amortised cost ₹ 193.82 crore (Previous year ₹ 82.54crore) and Fair value through Profit & loss account ₹ 66.53 crore (Previous year ₹ 28.05 crore) and Other Non-Operating Income of ₹ Nil (Previous year ₹ 1.44 crore)

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

	₹ crore	
	2019-20	2018-19
23. Changes in Inventories of Finished Goods and Stock-in-Trade		
Inventories (at close)		
Finished goods	-	0.03
Stock-in-trade	<u>9,254.79</u>	<u>11,229.44</u>
	9,254.79	11,229.47
Inventories (at commencement)		
Finished goods	0.03	0.02
Stock-in-trade	<u>11,229.44</u>	<u>10,409.32</u>
	11,229.47	10,409.34
Total	<u>1,974.68</u>	<u>(820.13)</u>

	₹ crore	
	2019-20	2018-19
24. Employee Benefits Expense		
Salaries and Wages	734.31	725.31
Contribution to Provident Fund and Other Funds	53.11	46.28
Staff Welfare Expenses	<u>156.44</u>	<u>125.40</u>
Total	<u>943.86</u>	<u>896.99</u>

24.1 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	22.77	19.01
Employer’s Contribution to Superannuation Fund	0.11	0.08
Employer’s Contribution to Pension Scheme	17.22	13.13

The Company’s Provident Fund is exempted under section 17 of Employee’s Provident Fund and Miscellaneous Provisions Act, 1952.

Defined benefit plan

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

Particulars	Gratuity (funded)	
	2019-20	2018-19
Defined Benefit Obligation at beginning of the year	48.79	39.59
Current Service cost	15.75	11.19
Interest Cost	3.91	3.17
Actuarial (Gain)/ Loss	15.13	(1.80)
Benefits Paid*	(3.45)	(3.36)
Transfer In / (Out)	(2.80)	-
Defined Benefit Obligation at end of the year	77.33	48.79

* Includes benefits of ₹ 3.23 crore paid by company.

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

II. Reconciliation of opening and closing balances of Fair Value of Plan Assets		₹ crore			
		Gratuity (funded)			
		2019-20	2018-19		
Fair value of plan assets at beginning of the year		48.79	39.59		
Return on plan assets		3.97	3.31		
Actuarial gain/ (loss)		-	-		
Employer contribution		24.79	9.25		
Benefits paid		(0.22)	(3.36)		
Fair value of plan assets at end of the year		77.33	48.79		
III. Reconciliation of fair value of Assets and Obligations		₹ crore			
		Gratuity (funded)			
		2019-20	2018-19		
Fair value of Plan Assets		77.33	48.79		
Present Value of Obligation		77.33	48.79		
Amount recognised in Balance Sheet (Surplus/ Deficit)		-	-		
IV. Expenses recognised during the year		₹ crore			
		Gratuity (funded)			
		2019-20	2018-19		
In Income Statement					
Current Service Cost		15.75	11.19		
Interest Cost		3.91	3.17		
Return on Plan Assets		(3.91)	(3.17)		
Net Cost		15.75	11.19		
In Other Comprehensive Income					
Actuarial (Gain)/ Loss		15.13	(1.80)		
Return on Plan Assets		(0.06)	(0.15)		
Net (Income)/ Expense For the period Recognised in OCI		15.07	(1.95)		
V. Investment Details		As at 31st March, 2020		As at 31st March, 2019	
		₹ crore	% Invested	₹ crore	% Invested
Insurance Policies		77.24	99.88	48.32	99.04
Others		0.09	0.12	0.47	0.96
Total		77.33	100.00	48.79	100.00
VI. Actuarial assumptions				Gratuity (funded)	
		2019-20	2018-19		
Mortality Table (IALM)		2012-14	2006-08	(Ultimate)	(Ultimate)
Discount Rate (per annum)		6.84%	8.00%		
Expected Rate of Return on Plan Assets (per annum)		6.84%	8.00%		
Rate of Escalation in Salary (per annum)		6.00%	6.00%		
Rate of Employees Turnover (per annum)		2.00%	2.00%		

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

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.

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

VIII. Sensitivity Analysis

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

Particulars	₹ crore			
	As at 31st March, 2020		As at 31st March, 2019	
	Decrease	Increase	Decrease	Increase
Change in rate of discounting(delta effect of +/- 0.5%)	4.35	4.75	2.69	2.94
Change in rate of salary increase(delta effect of +/- 0.5%)	4.40	4.77	2.76	2.98
Change in rate of employee turnover(delta effect of +/- 0.5%)	0.03	0.02	0.32	0.29

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

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan'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	
25. Finance Costs	2019-20	2018-19
Interest Expenses	867.03	611.70
Total	867.03	611.70

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

			₹ crore
			2018-19
26. Other Expenses	2019-20		
Selling and distribution expenses			
Sales promotion and advertisement expenses	538.72	711.00	
Store running expenses	826.32	742.36	
Royalty	2.87	2.57	
Brokerage & Commission	1,430.78	2,004.41	
Warehousing and distribution expenses	<u>613.98</u>	<u>545.69</u>	
	3,412.67		4,006.03
Establishment expenses			
Stores and packing materials	132.65	112.40	
Machinery repairs	0.08	-	
Building repairs and maintenance	125.34	106.53	
Other repairs	5.02	10.99	
Rent	896.17	694.94	
Operating Lease Expenses	3,895.58	2,147.81	
Insurance	81.63	61.13	
Rates and taxes	19.79	18.80	
Travelling and conveyance expenses	59.24	77.34	
Professional fees	56.34	71.03	
Loss on sale/ discarding of assets (net)	44.04	30.41	
Exchange differences (net)	14.34	982.43	
Electricity expenses	252.16	189.65	
Hire charges	37.95	49.26	
Charity and donation	50.15	21.06	
General expenses	<u>195.75</u>	<u>104.04</u>	
	5,866.23		4,677.82
Payments to auditor			
Statutory Audit fees	2.00		2.00
Total	<u>9,280.90</u>		<u>8,685.85</u>

26.1 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 ₹ 50.15 crore (previous year ₹ 21.06 crore). Expenditure related to Corporate Social Responsibility is ₹ 50.15 Crore (previous year ₹ 21.06 crore). Details of Amount spent towards CSR given below:

	₹ crore	
	2019-20	2018-19
(b) The details of amount spent towards CSR given below :		
Particulars	2019-20	2018-19
Rural Transformation	13.79	13.56
Education	8.39	-
Disaster Relief	2.38	5.00
Skilling and Employment Initiative	3.16	0.50
Environmental Sustainability	0.36	-
Healthcare	5.00	2.00
Sports	17.07	-
Total	<u>50.15</u>	<u>21.06</u>

(c) Out of note (b) above, ₹ 40.15 crore (Previous Year ₹ 21.06 crore) contributed to Reliance Foundation and ₹ 10 crore (Previous Year ₹ Nil) to Reliance Foundation Youth Sports.

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

	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
27. Taxation		
Income Tax recognised in the statement of Profit & Loss		
Current tax	998.28	1,037.29
Deferred tax	885.35	643.23
Total income tax expenses recognised in the current year	1,883.63	1,680.52
The income tax expenses for the year can be reconciled to the accounting profit as follows:		
Profit before tax	7,423.42	4,818.78
Applicable Tax rate	25.17%	34.944%
Computed tax expenses	1,868.47	1,683.87
Tax Effect of :		
Carry forward losses utilised	-	(212.13)
Exempted Income	-	(1.67)
Expenses Disallowed	222.23	234.44
Additional Allowances	(1,089.48)	(442.23)
MAT Credit	-	(224.99)
Tax for Earlier Years	(2.94)	-
Current Tax Provision (A)	998.28	1,037.29
Incremental Deferred Tax Liability on account of PPE & Intangible Assets	549.34	347.05
Incremental Deferred Tax Liability on account of Financial Assets & Other items	336.01	296.18
Deferred Tax Provision (B)	885.35	643.23
Tax Expenses recognised in Statement of Profit and Loss (A+B)	1,883.63	1,680.52
Effective Tax Rate	25.37%	34.87%
28	The Company is mainly engaged in 'Organised Retail' primarily catering to Indian consumers in various consumption baskets. All the activities of the Company revolve around this main business. Accordingly, the Company has only one identifiable segment reportable under Ind AS 108 "Operating Segment". The Chief operational decision maker monitors the operating results of the entity's business for the purpose of making decisions about resource allocation and performance assessment.	
29 Earnings per share (EPS)	2019-20	2018-19
Face Value per Equity Share (₹)	10.00	10.00
Basic Earnings per Share (₹)	10.41	5.90
Net profit/ (loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in crore)	5,539.79	3,138.26
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	531,97,24,091	531,95,41,650
Diluted Earnings per Share (₹)	8.77	4.97
Net Profit after Tax as per Profit and Loss Statement attributable to Equity Shareholders (₹ in crore)	5,539.79	3,138.26
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	631,99,64,474	632,06,09,972
Reconciliation of weighted average number of shares outstanding		
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	531,97,24,091	531,95,41,650
Total Weighted Average Potential Equity Shares	100,02,40,383	100,10,68,322
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	631,99,64,474	632,06,09,972

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

30 Contingent liabilities and Commitments		₹ crore	
		As at 31st March, 2020	As at 31st March, 2019
a	Contingent liabilities:		
(i)	Outstanding guarantees furnished to Banks and Financial Institutions including in respect of letters of credit		
(a)	In respect of others	1,894.89	1,771.44
(ii)	Guarantees to banks against credit facilities extended to third parties		
(a)	In respect of others	14.01	34.83
(iii)	Claims against the Company/ disputed liabilities not acknowledged as debts *		
(a)	In respect of others	11.03	19.30
b	Commitments:		
	Estimated amount of contracts remaining to be executed on capital account and not provided for		
(a)	In respect of others	77.69	282.05

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

31 Capital Management

The Company adheres to a disciplined Capital Management framework, the pillars of which are as follows:

- Maintain diversity of sources of financing in order to minimise liquidity risk.
 - Manage financial market risks arising from foreign exchange, interest rates and commodity prices, and minimise the impact of market volatility on earnings.
 - Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of Balance Sheet
- This framework is adjusted based on underlying macroeconomic factors affecting business environment, financial market conditions and interest rates environment.

Net Gearing Ratio

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

		₹ crore	
		As at 31st March, 2020	As at 31st March, 2019
	Gross Debt	4,665.74	12,800.56
	Cash and Marketable Securities*	334.50	3,332.58
	Net Debt (A)	4,331.24	9,467.98
	Total Equity (As per Balance Sheet) (B)	18,115.18	12,587.41
	Net Gearing Ratio (A/B)	0.24	0.75

* Cash & Marketable Securities include cash and equivalents of ₹ 334.50 crore (Previous Year ₹ 329.69 crore) and current investments of ₹ Nil (Previous Year ₹ 3,002.89 crore)

32 Financial Instruments

Valuation Methodology

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

- The fair value of investment in unquoted Mutual Funds is measured at quoted price or NAV.
- The fair value of Forward Foreign Exchange contracts is determined using forward exchange rates at the balance sheet date.
- Commodity derivative contracts are valued using readily available information in markets and quotations from exchange & brokers.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

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

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			
	Carrying Amount	Level of input used in			Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets								
At Amortised Cost								
Investments*	0.29	-	-	-	0.29	-	-	-
Trade Receivables	2,489.10	-	-	-	4,330.17	-	-	-
Cash and Cash Equivalents	334.50	-	-	-	329.69	-	-	-
Loans	2,436.10	-	-	-	1,122.14	-	-	-
Other Financial Assets	1,483.82	-	-	-	372.90	-	-	-
At FVTPL								
Investments	0.01	-	-	0.01	3,002.90	3,002.89	-	0.01
Financial Derivatives	23.35	-	23.35	-	0.80	-	0.80	-
Commodity Derivatives	1.50	1.50	-	-	7.60	7.60	-	-
At FVTOCI								
Investments	81.87	-	-	81.87	81.87	-	-	81.87
Financial Liabilities								
At Amortised Cost								
Borrowings	4,665.74	-	-	-	12,800.56	-	-	-
Trade Payables	5,676.84	-	-	-	4,122.10	-	-	-
Other Financial Liabilities	5,071.98	-	-	-	4,046.88	-	-	-
At FVTPL								
Financial Derivatives	-	-	-	-	95.24	-	95.24	-
Commodity Derivatives	37.45	37.45	-	-	-	-	-	-

* Excludes Group Company Investments ₹ 496.07 crore (Previous year ₹ 491.07 crore) measured at cost (Refer Note No. 2.1)

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

₹ crore

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	At FVTPL	At FVTOCI	At FVTPL	At FVTOCI
Opening Balance	0.01	81.87	0.01	81.87
Addition during the year	-	-	-	-
Sale/ Reduction during the year	-	-	-	-
Closing Balance	0.01	81.87	0.01	81.87

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.

Foreign Currency Risk

Foreign Currency Risk is the risk that the Fair Value or Future Cash Flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee.

The following table shows foreign currency exposures in USD, GBP, EUR, BDT and RMB on financial instruments at the end

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

of the reporting period.

(i) Foreign Currency Exposure

₹ crore

	As at 31st March, 2020					As at 31st March, 2019			
	USD	EUR	GBP	RMB	BDT	USD	EUR	GBP	RMB
Trade Payables	552.83	-	0.29	7.67	0.15	1,427.20	0.22	0.44	0.37
Derivatives									
Forwards & Futures	(725.94)	-	-	(60.18)	-	(1,521.67)	-	-	-
Exposure	(173.11)	-	0.29	(52.51)	0.15	(94.47)	0.22	0.44	0.37

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

(ii) Foreign Currency Sensitivity

₹ crore

	As at 31st March, 2020					As at 31st March, 2019			
	USD	EUR	GBP	RMB	BDT	USD	EUR	GBP	RMB
1% Depreciation in INR									
Impact on P&L	1.73	-	(0.00)	0.53	(0.00)	0.94	(0.00)	(0.00)	(0.00)
Total	1.73	-	(0.00)	0.53	(0.00)	0.94	(0.00)	(0.00)	(0.00)

₹ crore

	As at 31st March, 2020					As at 31st March, 2019			
	USD	EUR	GBP	RMB	BDT	USD	EUR	GBP	RMB
1% Appreciation in INR									
Impact on P&L	(1.73)	-	0.00	(0.53)	0.00	(0.94)	0.00	0.00	0.00
Total	(1.73)	-	0.00	(0.53)	0.00	(0.94)	0.00	0.00	0.00

Interest Rate Risk

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

₹ crore

Particulars	As at	
	31st March, 2020	31st March, 2019
Borrowings - Current #	4,672.04	12,948.87
Total	4,672.04	12,948.87

Includes ₹ 6.30 crore (Previous Year ₹ 148.31 crore) as Commercial Paper discount

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 & forfaiting without recourse to the Company.

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

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.

₹ crore

Maturity Profile as at 31 March, 2020

Liquidity Risks	Below 3 months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	Grand Total
Borrowings							
Current [#]	3,891.24	780.80	-	-	-	-	4,672.04
Total Borrowings	3,891.24	780.80	-	-	-	-	4,672.04
Derivatives Liabilities							
Forwards & Futures	37.45	-	-	-	-	-	37.45
Total Derivative liabilities	37.45	-	-	-	-	-	37.45

[#] Includes ₹ 6.30 crore as Commercial Paper discount

₹ crore

Maturity Profile as at 31 March, 2019

Liquidity Risks	Below 3 months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	Grand Total
Borrowings							
Current [#]	12,948.87	-	-	-	-	-	12,948.87
Total Borrowings	12,948.87	-	-	-	-	-	12,948.87
Derivatives Liabilities							
Forwards & Futures	68.91	25.91	0.42	-	-	-	95.24
Total Derivative liabilities	68.91	25.91	0.42	-	-	-	95.24

[#] Includes ₹ 148.31 crore as Commercial Paper discount

Hedge Accounting

Commodity risk: The Company is subject to commodity price risks due to fluctuation in prices of underlying Gold and Silver Inventories. The Company uses a combination of Futures and Forward contracts to hedge the physical exposure of commodity positions. The Company has adopted a structured risk management policy to hedge commodity risks within an acceptable risk limit and an approved hedge accounting framework which allows Fair Value hedges. The gain /loss on hedging instruments are aligned and effectively offset with hedge item. Since the hedge instrument and hedge items normally offset and hence it is fully effective. The table below shows the position of hedging instruments and hedged

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

items as on the balance sheet date.

Disclosure of effects of hedge accounting

Fair Value Hedge

Hedging Instruments

₹ crore

Particulars	Nominal Value	Quantity (in Kgs)	Carrying Amount		Changes in Fair Value	Hedge Maturity Date	Line Item in Balance Sheet
			Assets	Liabilities			
As at 31st March, 2020							
Commodity Price Risk							
Derivative Contracts	1,569.99	4,987	1.50	37.45	(35.96)	May 20- June 20	Other Financial Asset/ Liabilities
As at 31st March, 2019							
Commodity Price Risk							
Derivative Contracts	771.74	2,981	7.60	-	7.60	May 19- June 19	Other Financial Asset/ Liabilities
Hedged Items:							₹ crore
Particulars	Carrying Value		Change in Fair Value	Line Item in Balance Sheet			
	Assets	Liabilities					
				As at 31st March, 2020			
Commodity Price Risk							
Inventories	1,517.70	-	35.96	Inventories			
				As at 31st March, 2019			
Commodity Price Risk							
Inventories	748.35	-	(7.60)	Inventories			

33 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 Petro Marketing Limited	Subsidiary Companies
4	Reliance-GrandOptical Private Limited	
5	Reliance Clothing India Private Limited	
6	Indiawin Sports Private Limited	
7	Reliance Brands Limited	Fellow Subsidiaries
8	Reliance Lifestyle Holdings Limited *	
9	Reliance Corporate IT Park Limited	
10	Reliance Retail Insurance Broking Limited	
11	Reliance SMSL Limited	
12	Big Tree Entertainment Private Limited	

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

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

Sr No	Name of the related party	Relationship
13	Digital18 Media Limited	Fellow Subsidiaries
14	Reliance Jio Infocomm Limited	
15	Network18 Media and Investments Limited	
16	Reliance Gas Pipelines Limited	
17	Jio Haptik Technologies Limited (Formerly Reliance Jio Digital Services Limited)	
18	Reliance Progressive Traders Private Limited	
19	Reliance Prolific Traders Private Limited	
20	Reliance Prolific Commercial Private Limited	
21	Reliance Payment Solutions Limited	
22	TV18 Home Shopping Network Limited	
23	Reliance Sibur Elastomers Private Limited	
24	TV18 Broadcast Limited	
25	Reliance Jio Messaging Services Private Limited	
26	Reliance Eminent Trading and Commercial Private Limited	
27	Reliance Innovative Building Solutions Private Limited	
28	Reliance Industrial Investments and Holdings Limited	
29	Reliance Jio Media Limited	
30	Panorama Television Private Limited	
31	Reliance Ambit Trade Private Limited	
32	Reliance Jio Infratel Private Limited	
33	Reliance Commercial Dealers Limited	
34	Reliance Polyolefins Limited *	
35	Viacom 18 Media Private Limited	
36	Reliance GAS Lifestyle India Private Limited	
37	Rhea Retail Private Limited *	
38	Genesis La Mode Private Limited	
39	Genesis Luxury Fashion Private Limited	
40	GLF Lifestyle Brand Private Limited	
41	GML India Fashion Private Limited	
42	Genesis Colors Limited	
43	Hathway Cable and Datacom Limited	
44	Reliance Strategic Investments Limited	
45	Reliance Projects and Property Management Services Limited *(Formerly known as Reliance Digital Platform and Project Services Limited)	
46	Grab A Grub Services Private Limited	
47	E-Eighteen.Com Limited	
48	Individual Learning Private Limited	
49	Saavn Media Private Limited	

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

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

Sr No	Name of the related party	Relationship
50	Indiacast Media Distribution Private Limited	Fellow Subsidiaries
51	Reliance Retail Finance Limited	
52	Shri Kannan Departmental Store Private Limited *	
53	Reliance-GrandVision India Supply Private Limited	Joint Venture Companies
54	Reliance-Vision Express Private Limited	
55	Marks and Spencer Reliance India Private Limited	
56	Shri V Subramaniam	Key Managerial Personnel
57	Shri Dinesh Thapar *	
58	Shri Ashwin Khasgiwala *	
59	Shri K Sridhar	
60	Reliance Retail Limited Employees Gratuity Fund	Post Employment Benefit Plan
61	Reliance Retail Limited Employees Provident Fund	

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

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

Sr No	Nature of transactions	Ultimate holding company	Holding company	Subsidiaries	Fellow subsidiaries	Joint Ventures	Key Managerial Personnel	Others	Total
1	Call money received towards OCPs	-	-	-	-	-	-	-	-
		-	381.20	-	-	-	-	-	381.20
2	Net unsecured loans taken/ (repaid)	-	70.56	-	-	-	-	-	70.56
		-	-	-	-	-	-	-	-
3	Net deposits Given/ (repaid)	-	-	-	381.04	-	-	-	381.04
		0.03	-	-	300.00	-	-	-	300.03
4	Net deposits taken/ (repaid)	-	-	-	-	-	-	-	-
		-	-	-	-	(0.15)	-	-	(0.15)
5	Purchase/ subscription of investments	-	-	-	-	5.00	-	-	5.00
		-	-	-	-	2.50	-	-	2.50
6	Net loans and advances given/ (returned)	-	-	7.42	1,276.54	-	-	-	1,283.96
		-	-	10.90	648.77	-	-	-	659.67
7	Purchase of Property Plant & Equipment / Project materials	-	-	-	2,573.18	-	-	-	2,573.18
		5.34	-	-	3,386.38	-	-	-	3,391.72
8	Sale of Fixed Assets/ Project Materials	-	-	-	1,108.01	-	-	-	1,108.01
		-	-	-	59.02	-	-	-	59.02
9	Revenue from Operations	87.76	2.27	4.45	6,636.31	20.48	-	-	6,751.27
		115.56	-	6.16	1,127.18	1.50	-	-	1,250.40
10	Other Income	-	-	6.51	161.23	-	-	-	167.74
		-	-	5.66	60.79	-	-	-	66.45
11	Purchases	40.19	35.17	1.90	58,188.73	5.42	-	-	58,271.41
		24.32	-	0.36	45,512.35	2.40	-	-	45,539.43

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

Sr No	Nature of transactions	Ultimate holding company	Holding company	Subsidiaries	Fellow subsidiaries	Joint Ventures	Key Managerial Personnel	Others	Total
12	Expenditure								
	a. Interest cost	7.94	9.33	-	-	-	-	-	17.27
		-	1.90	-	-	-	-	-	1.90
	b. Store running expenses	0.01	-	0.09	674.76	-	-	-	674.86
		-	-	0.03	478.77	-	-	-	478.80
	c. Building repairs and maintenance	-	-	-	47.59	-	-	-	47.59
		-	-	-	26.84	-	-	-	26.84
	d. Electricity expenses	0.34	-	0.10	265.93	-	-	-	266.37
		-	-	0.04	189.94	-	-	-	189.98
	e. Rent including Lease Rent	-	-	-	650.55	-	-	-	650.55
		-	-	-	430.69	-	-	-	430.69
	f. Hire Charges	-	-	-	4.67	-	-	-	4.67
		-	-	-	-	-	-	-	-
	g. Professional Fees	0.95	-	-	9.62	-	-	-	10.57
		0.01	-	-	31.39	-	-	-	31.40
	h. Brokerage & Commission	-	-	-	5.96	-	-	-	5.96
		-	-	-	-	-	-	-	-
	i. Sales promotion and advertisement expenses	-	-	-	1.64	-	-	-	1.64
		-	-	-	-	-	-	-	-
	j. Travelling and Conveyance Expenses	-	-	-	15.71	-	-	-	15.71
		-	-	-	-	-	-	-	-
	k. Warehousing and Distribution Expenses	-	154.09	-	1.68	-	-	-	155.77
		-	-	-	-	-	-	-	-
	l. General expenses	-	-	-	145.43	-	-	-	145.43
		-	-	-	104.36	-	-	-	104.36
	m. Employee Benefit Expenses	-	-	-	-	-	-	116.91	116.91
		-	-	-	-	-	-	74.17	74.17
	n. Payment to key Managerial personnel	-	-	-	-	-	6.24	-	6.24
		-	-	-	-	-	4.16	-	4.16
Balance as at 31st March, 2020									
13	Equity Share Capital	-	4,987.03	-	-	-	-	-	4,987.03
		-	4,987.03	-	-	-	-	-	4,987.03
14	Preference Share Capital [†]	-	999.99	-	-	-	-	-	999.99
		-	999.99	-	-	-	-	-	999.99
15	Call money received towards OCPS	-	381.20	-	-	-	-	-	381.20
		-	381.20	-	-	-	-	-	381.20

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

Sr No	Nature of transactions	Ultimate holding company	Holding company	Subsidiaries	Fellow subsidiaries	Joint Ventures	Key Managerial Personnel	Others	Total
16	Debentures	-	330.00	-	-	-	-	-	330.00
		-	<i>330.00</i>	-	-	-	-	-	<i>330.00</i>
17	Borrowings - Current	-	70.56	-	-	-	-	-	70.56
		-	-	-	-	-	-	-	-
18	Investment - Non-Current	-	-	104.04	-	392.03	-	-	496.07
		-	-	<i>104.04</i>	-	<i>387.03</i>	-	-	<i>491.07</i>
19	Deposits Given	0.03	-	-	681.04	-	-	-	681.07
		<i>0.03</i>	-	-	<i>300.00</i>	-	-	-	<i>300.03</i>
20	Deposits taken	-	-	-	-	0.04	-	-	0.04
		-	-	-	-	<i>0.04</i>	-	-	<i>0.04</i>
21	Loans - Non-Current	-	-	78.47	2,327.63	-	-	-	2,406.10
		-	-	<i>71.05</i>	<i>1,051.09</i>	-	-	-	<i>1,122.14</i>
22	Trade Receivables	26.20	2.07	1.85	129.71	19.21	-	-	179.04
		<i>50.28</i>	-	<i>2.09</i>	<i>67.46</i>	<i>1.37</i>	-	-	<i>121.20</i>
23	Other Current Assets	-	-	-	6.61	-	-	-	6.61
		-	-	-	-	-	-	-	-
24	Other Financial Asset	-	-	2.01	57.92	-	-	-	59.93
		-	-	<i>0.47</i>	<i>46.82</i>	-	-	-	<i>47.29</i>
25	Other Financial Liability	-	8.40	-	-	-	-	-	8.40
		-	-	-	-	-	-	-	-
26	Trade payables	30.04	1.00	3.03	71.15	1.30	-	-	106.52
		<i>21.09</i>	-	<i>1.22</i>	<i>25.35</i>	<i>0.45</i>	-	-	<i>48.11</i>
27	Other Current Liability	-	-	-	0.31	-	-	-	0.31
		-	-	-	-	-	-	-	-
28	Guarantees	-	-	4.38	9.63	-	-	-	14.01
		-	-	<i>4.30</i>	<i>30.53</i>	-	-	-	<i>34.83</i>

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

Including Securities Premium.

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

₹ crore

Sr No	Particulars	Relationship	2019-20	2018-19
1	Call money received towards OCPS			
	Reliance Retail Ventures Limited	Holding Company	-	381.20
2	Net unsecured loans taken/ (repaid)			
	Reliance Retail Ventures Limited	Holding Company	70.56	-
3	Net deposits Given/ (repaid)			
	Reliance Industries Limited	Ultimate Holding Company	-	0.03
	Reliance Corporate IT Park Limited	Fellow Subsidiary	-	300.00

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

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

₹ crore

Sr No	Particulars	Relationship	2019-20	2018-19
	Reliance Projects and Property Management Services Limited*	Fellow Subsidiary	381.04	-
4	Net deposits taken/ (returned)			
	Reliance-Vision Express Private Limited	Joint Venture	-	(0.15)
5	Purchase/ subscription of investments			
	Reliance-Vision Express Private Limited	Joint Venture	5.00	2.50
6	Net loans and advances given/ (returned)			
	Reliance Clothing India Private Limited	Subsidiary	7.42	10.90
	Reliance Brands Limited	Fellow Subsidiary	1,184.36	648.77
	Shri Kannan Departmental Store Private Limited*	Fellow Subsidiary	92.18	-
7	Purchase of Property Plant & Equipment / Project materials			
	Reliance Industries Limited	Ultimate Holding Company	-	5.34
	Reliance Corporate IT Park Limited	Fellow Subsidiary	710.55	3,369.42
	Reliance Progressive Traders Private Limited	Fellow Subsidiary	-	0.09
	Genesis Colors Limited	Fellow Subsidiary	-	11.20
	Reliance Jio Infocomm Limited	Fellow Subsidiary	1.49	5.67
	Reliance Projects & Property Management Services Limited*	Fellow Subsidiary	1,861.12	-
	Reliance Brands Limited	Fellow Subsidiary	0.02	-
8	Sale of Fixed Assets /Project materials			
	Reliance Brands Limited	Fellow Subsidiary	-	0.01
	Reliance Lifestyle Holdings Limited*	Fellow Subsidiary	-	0.18
	Reliance Corporate IT Park Limited	Fellow Subsidiary	-	58.84
	Reliance Projects and Property Management Services Limited*	Fellow Subsidiary	1,108.01	-
9	Revenue from Operations			
	Reliance Industries Limited	Ultimate Holding Company	87.76	115.56
	Reliance Retail Ventures Limited	Holding Company	2.27	-
	Reliance Clothing India Private Limited	Subsidiary	3.62	5.73
	Reliance Petro Marketing Limited	Subsidiary	0.83	0.43
	Reliance Retail Insurance Broking Limited	Fellow Subsidiary	-	9.24
	Reliance Brands Limited	Fellow Subsidiary	34.47	3.83
	Reliance Lifestyle Holdings Limited*	Fellow Subsidiary	-	0.71
	Reliance Jio Infocomm Limited	Fellow Subsidiary	1,104.94	975.26
	Indiawin Sports Private Limited	Fellow Subsidiary	1.54	1.12

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

Disclosure in respect of major related party transactions during the year: (Contd.)				₹ crore
Sr No	Particulars	Relationship	2019-20	2018-19
	Reliance Corporate IT Park Limited	Fellow Subsidiary	2,505.21	130.89
	Reliance Gas Pipelines Limited	Fellow Subsidiary	0.11	0.21
	Reliance Jio Digital Services Private Limited	Fellow Subsidiary	0.05	-
	Reliance Progressive Traders Private Limited	Fellow Subsidiary	0.71	0.09
	Reliance Sibur Elastomers Private Limited	Fellow Subsidiary	0.04	0.59
	TV18 Broadcast Limited	Fellow Subsidiary	0.28	0.56
	Reliance Payment Solutions Limited (₹ 244)	Fellow Subsidiary	0.00	0.56
	Reliance Eminent Trading & Commercial Private Limited	Fellow Subsidiary	0.01	-
	Network18 Media & Investments Limited	Fellow Subsidiary	0.02	0.46
	Panorama Television Private Limited	Fellow Subsidiary	-	0.12
	Reliance Jio Media Limited	Fellow Subsidiary	1.45	2.99
	Reliance Commercial Dealers Limited	Fellow Subsidiary	-	0.04
	Viacom 18 Media Private Limited	Fellow Subsidiary	0.12	-
	Genesis La Mode Private Limited	Fellow Subsidiary	1.41	0.02
	Genesis Luxury Fashion Private Limited	Fellow Subsidiary	1.43	0.07
	GML India Fashion Private Limited (₹ 33,888)	Fellow Subsidiary	0.00	0.01
	GLF Lifestyle Brand Private Limited (₹ 26,589)	Fellow Subsidiary	0.00	-
	Reliance Gas Lifestyle India Private Limited	Fellow Subsidiary	2.32	0.08
	Rhea Retail Private Limited*	Fellow Subsidiary	-	0.34
	Reliance Projects and Property Management Services Limited*	Fellow Subsidiary	2,909.70	-
	Reliance Retail Finance Limited	Fellow Subsidiary	55.41	-
	Reliance Retail Insurance Broking Limited	Fellow Subsidiary	12.81	-
	E-Eighteen.Com Limited	Fellow Subsidiary	0.11	-
	Genesis Colors Limited	Fellow Subsidiary	0.31	-
	Indiavidual Learning Private Limited	Fellow Subsidiary	1.81	-
	Indiacast Media Distribution Private Limited	Fellow Subsidiary	0.02	-
	Reliance Prolific Traders Private Limited	Fellow Subsidiary	0.07	-
	Saavn Media Private Limited	Fellow Subsidiary	0.50	-
	Shri Kannan Departmental Store Private Limited*	Fellow Subsidiary	1.46	-
	Reliance-Vision Express Private Limited	Joint Venture	1.49	1.45
	Marks and Spencer Reliance India Private Limited	Joint Venture	18.99	0.04

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

Disclosure in respect of major related party transactions during the year: (Contd.)				₹ crore	
Sr No	Particulars	Relationship	2019-20	2018-19	
10	Other Income				
	Reliance Clothing India Private Limited	Subsidiary	6.51	5.66	
	Reliance Brands Limited	Fellow Subsidiary	160.59	60.79	
	Shri Kannan Departmental Store Private Limited*	Fellow Subsidiary	0.64	-	
11	Purchases				
	Reliance Industries Limited	Ultimate Holding Company	40.19	24.32	
	Reliance Retail Ventures Limited	Holding Company	35.17	-	
	Reliance Petro Marketing Limited	Subsidiary	0.03	0.05	
	Reliance Clothing India Private Limited	Subsidiary	1.87	0.31	
	Reliance Brands Limited	Fellow Subsidiary	55.67	13.27	
	Reliance Lifestyle Holdings Limited*	Fellow Subsidiary	-	0.18	
	Reliance Corporate IT Park Limited	Fellow Subsidiary	0.06	15.91	
	Reliance Jio Infocomm Limited	Fellow Subsidiary	58,118.25	45,480.94	
	Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary	-	0.01	
	Reliance Gas Lifestyle India Private Limited	Fellow Subsidiary	6.61	0.51	
	Genesis Luxury Fashion Private Limited	Fellow Subsidiary	3.85	0.02	
	Rhea Retail Private Limited*	Fellow Subsidiary	-	1.49	
	Genesis La Mode Private Limited	Fellow Subsidiary	3.90	-	
	Reliance Payment Solutions Limited	Fellow Subsidiary	0.12	-	
	Genesis Colors Limited	Fellow Subsidiary	0.28	-	
	Marks and Spencer Reliance India Private Limited	Joint Venture	5.23	2.40	
	Reliance-Vision Express Private Limited	Joint Venture	0.13	-	
	Reliance-GrandVision India Supply Private Limited	Joint Venture	0.05	-	
12	Expenditure				
	a. Interest cost				
	Reliance Industries Limited	Ultimate Holding Company	7.94	-	
	Reliance Retail Ventures Limited	Holding Company	9.33	1.90	
	b. Store running expenses				
	Reliance Industries Limited	Ultimate Holding Company	0.01	-	
	Reliance Petro Marketing Limited	Subsidiary	0.09	0.03	

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

Disclosure in respect of major related party transactions during the year: (Contd.)				₹ crore
Sr No	Particulars	Relationship	2019-20	2018-19
	Reliance Corporate IT Park Limited	Fellow Subsidiary	241.25	332.40
	Reliance SMSL Limited	Fellow Subsidiary	146.21	145.34
	Reliance Payment Solutions Limited	Fellow Subsidiary	-	1.02
	Reliance Projects & Property Management Services Limited*	Fellow Subsidiary	286.92	-
	Reliance Brands Limited (₹ 1,650)	Fellow Subsidiary	0.00	-
	Reliance Jio Infocomm Limited	Fellow Subsidiary	0.38	-
c.	Building repairs and maintenance			
	Reliance Projects and Property Management Services Limited*	Fellow Subsidiary	35.59	-
	Reliance Corporate IT Park Limited	Fellow Subsidiary	11.95	26.84
	TV18 Home shopping Network Limited	Fellow Subsidiary	0.05	-
d.	Electricity expenses			
	Reliance Industries Limited	Ultimate Holding Company	0.34	-
	Reliance Petro Marketing Limited	Subsidiary	0.10	0.04
	Reliance Projects and Property Management Services Limited*	Fellow Subsidiary	157.15	-
	Hatway Cable Datacom Limited (₹ 2,655)	Fellow Subsidiary	0.00	-
	Reliance Corporate IT Park Limited	Fellow Subsidiary	108.78	189.94
e.	Rent including Lease Rent			
	Reliance Corporate IT Park Limited	Fellow Subsidiary	261.00	428.76
	Reliance Innovative Building Solutions Private Limited	Fellow Subsidiary	1.93	1.93
	Reliance Projects and Property Management Services Limited*	Fellow Subsidiary	387.62	-
f.	Hire Charges			
	Reliance-Grand Optical Private Limited (₹ 6,500)	Subsidiary	0.00	-
	Reliance Projects and Property Management Services Limited*	Fellow Subsidiary	3.76	-
	Reliance Corporate IT Park Limited	Fellow Subsidiary	0.91	-
g.	Professional Fees			
	Reliance Industries Limited	Ultimate Holding Company	0.95	0.01
	Reliance Corporate IT Park Limited	Fellow Subsidiary	7.90	31.39

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

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

₹ crore

Sr No	Particulars	Relationship	2019-20	2018-19
	Reliance Projects and Property Management Services Limited*	Fellow Subsidiary	1.73	-
h.	Brokerage and Commission			
	Reliance Payment Solutions Limited	Fellow Subsidiary	5.96	-
i	Sales Promotion and Advertisement Expenses			
	Reliance Brands Limited	Fellow Subsidiary	1.64	-
j	Travelling and Conveyance Expenses			
	Reliance Commercial Dealers Limited	Fellow Subsidiary	15.71	-
k	Warehousing and Distribution Expenses			
	Reliance Retail Ventures Limited	Holding Company	154.09	-
	Grab A Grub Services Private Limited	Fellow Subsidiary	1.68	-
l	General Expenses			
	Reliance Corporate IT Park Limited	Fellow Subsidiary	47.16	88.28
	Reliance Jio Infocomm Limited	Fellow Subsidiary	29.59	15.74
	TV18 Home shopping Network Limited	Fellow Subsidiary	-	0.33
	Hathway Cable and Datacom Limited	Fellow Subsidiary	0.01	0.01
	Reliance Brands Limited (₹ 7,590)	Fellow Subsidiary	0.00	-
	Reliance Projects and Property Management Services Limited*	Fellow Subsidiary	68.67	-
m	Employee Benefit Expenses			
	Reliance Retail Limited Employees Gratuity Fund	Other	24.79	9.25
	Reliance Retail Limited Employees Provident Fund	Other	92.12	64.92
n	Payment to Key Managerial Personnel			
	Shri V Subramaniam	Key Managerial Personnel	4.34	3.14
	Shri Dinesh Thapar*	Key Managerial Personnel	1.44	-
	Shri Ashwin Khasgiwala*	Key Managerial Personnel	0.17	0.90
	Shri K Sridhar	Key Managerial Personnel	0.29	0.12

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

33.1 Compensation of Key Managerial Personnel

₹ crore

	2019-20	2018-19
i Short-Term Benefits	6.02	3.99
ii Post Employment Benefits	0.22	0.17
Total	6.24	4.16

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

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

- a) Loans given by the Company to body corporate as at 31st March 2020 (Refer Note 3.1).
 b) Investment made by the Company as at 31st March 2020 (Refer Note 2)

35 The details of joint ventures are as follows:

Name of the joint ventures	Country of incorporation	Proportion of ownership interest
Marks and Spencer Reliance India Private Limited	India	49%
Reliance-Grand Vision India Supply Private Limited	India	50%
Reliance-Vision Express Private Limited	India	50%

- 36 The figures for corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.
 37 The Financial Statements were approved for issue by the Board of Directors on 28th April, 2020.

As per our Report of even date

For D T S & Associates LLP
 Chartered Accountants
 (Firm Registration
 No. 142412W/W100595)

Saurabh Pamecha
 Partner
 Membership No. 126551

Place: Mumbai
 Date: 28th April 2020

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

Ketan Vora
 Partner
 Membership No. 100459

For and on behalf of the Board

V. Subramaniam
 Whole-Time Director

Geeta Fulwadaya
 Director

Ranjit V Pandit
 Director

Pankaj Pawar
 Director

Prof. Dipak C. Jain
 Director

Dinesh Thapar
 Chief Financial Officer

Sanjay Jog
 Director

K Sudarshan
 Director

K Sridhar
 Company Secretary

Reliance Retail Limited
Consolidated Financial Statements
31st March, 2020

Independent Auditor's Report

To The Members of Reliance Retail Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Reliance Retail Limited (“the Holding Company”) and its subsidiaries, (Holding Company and its subsidiaries together referred to as “the Group”) which includes the Group’s share of profit in its joint ventures, which comprise the Consolidated Balance Sheet as at 31st March 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries and joint ventures referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor’s Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Information Other than the Financial Statements and Auditor’s Report Thereon

- The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Board Report, but does not include the consolidated financial statements, standalone financial statements and our auditor’s report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to subsidiaries and joint ventures, is traced from their financial statements audited by other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management’s Responsibility for the Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate

accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group (and of its joint ventures) are responsible for assessing the ability of the Group (and of its joint ventures) to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding 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 the 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 ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced.

We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of ₹ 939.75 crores as at 31st March, 2020, total revenues of ₹ 14,155.87 crores and net cash outflows amounting to ₹ 43.72 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 8.78 crores for the year ended 31st March, 2020, as considered in the consolidated financial statements, in respect of two joint venture, whose financial statements have not been audited by us. These financial statements has been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely on the reports of the other auditors.

The consolidated financial statements also include the Group's share of net loss of ₹ 0.64 crores for the year ended 31st March, 2020, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on the separate financial statements of subsidiaries and joint ventures referred to in the Other Matters section above we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and joint venture companies incorporated in India, none of the directors of the Group companies and its joint venture companies incorporated in India is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

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- f) With respect to the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure A” which is based on the auditors’ reports of the Holding company, subsidiary companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and joint ventures as referred to in Note.30 to the consolidated financial statements;
 - ii) The Group, its joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and joint venture companies incorporated in India.

For D T S & Associates LLP
Chartered Accountants
(Firm’s Registration No. 142412W/W100595)

Saurabh Pamecha
Partner
Membership No. 126551

MUMBAI, 28th April 2020
(UDIN: 20126551AAAADC8414)

For Deloitte Haskins and Sells LLP
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Ketan Vora
Partner
Membership No. 100459

MUMBAI, 28th April 2020
(UDIN: 20100459AAAAJN3490)

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on other legal and regulatory requirements’ section of our report of even date to the members of Reliance Retail Limited for the year ended 31st March 2020)

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”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March 2020, we have audited the internal financial controls over financial reporting of **Reliance Retail Limited** (hereinafter referred to as “the Holding Company”) and its subsidiary companies, and joint ventures, which are companies incorporated in India, as of that date.

Management’s responsibility for internal financial controls

The respective Board of Directors of the Holding Company, its subsidiary companies, and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 the respective company’s policies, the safeguarding of their assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, its subsidiary companies, and joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, are sufficient and appropriate to provide a basis for our audit opinion on the Internal Financial Controls system over Financial Reporting with reference to these consolidated financial statements of the Parent, its subsidiary companies, and its joint ventures, which are companies incorporated in India.

Meaning of internal financial controls over financial reporting with reference to these consolidated financial statements

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

Inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company, its subsidiary companies, and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at 31st March 2020, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements in so far as it relates to three subsidiary companies, and two joint ventures, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For D T S & Associates LLP

Chartered Accountants
(Firm's Registration No. 142412W/W100595)

Saurabh Pamecha

Partner
Membership No. 126551

MUMBAI, 28th April 2020
(UDIN: 20126551AAAADC8414)

For Deloitte Haskins and Sells LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ketan Vora

Partner
Membership No. 100459

MUMBAI, 28th April 2020
(UDIN: 20100459AAAAJN3490)

Consolidated Balance Sheet as at 31st March, 2020

	Note	As at		₹ crore
		31st March, 2020	31st March, 2019	As at
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	1	7,271.91	6,140.19	
Capital Work-in-Progress	1	6,070.47	2,532.16	
Goodwill on Consolidation		87.14	87.14	
Intangible Assets	1	982.76	1,092.04	
Intangible Assets Under Development	1	2,752.74	1,788.99	
Financial Assets				
Investments	2	384.00	388.42	
Loans	3	2,359.29	1,051.09	
Other Non- Current Assets	4	237.13	159.82	
Total Non-Current Assets		20,145.44		13,239.85
Current Assets				
Inventories	5	9,583.11	11,493.53	
Financial Assets				
Investments	6	233.14	3,218.28	
Trade Receivables	7	2,759.23	4,632.14	
Cash and Cash Equivalents	8	348.69	387.59	
Other Financial Assets	9	1,507.03	383.44	
Other Current Assets	10	1,736.51	1,832.98	
Total Current Assets		16,167.71		21,947.96
Total Assets		36,313.15		35,187.81
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	11	4,990.40	4,989.54	
Other Equity	12	13,280.58	7,668.33	
Total Equity		18,270.98		12,657.87
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Other Financial Liabilities	13	12.48	-	
Provisions	14	38.21	26.75	
Deferred Tax Liabilities	15	917.15	35.21	
Total Non-Current Liabilities		967.84		61.96
Current Liabilities				
Financial Liabilities				
Borrowings	16	4,665.74	12,800.56	
Trade Payables		5,958.19	4,550.35	
Other Financial Liabilities	17	5,322.40	4,353.87	
Provisions	18	4.18	2.94	
Other Current Liabilities	19	1,123.82	760.26	
Total Current Liabilities		17,074.33		22,467.98
Total Liabilities		18,042.17		22,529.94
Total Equity and Liabilities		36,313.15		35,187.81
Significant Accounting Policies				
See accompanying Notes to the Financial Statements 1 to 37				

As per our Report of even date

For D T S & Associates LLP
Chartered Accountants
(Firm Registration No. 142412W/W100595)

Saurabh Pamecha
Partner
Membership No. 126551

Mumbai
Dated: 28th April, 2020

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

Ketan Vora
Partner
Membership No. 100459

For and on behalf of the Board

V. Subramaniam Pankaj Pawar
Whole-Time Director Director

Geeta Fulwadaya
Director

Ranjit V. Pandit
Director

Sanjay Jog
Director

Prof. Dipak C. Jain K Sudarshan
Director Director

Dinesh Thapar K. Sridhar
Chief Financial Officer Company Secretary

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

	Note	2019-20	2018-19
₹ crore			
INCOME			
Value of Sales		1,46,693.04	1,20,129.34
Income from Services		14,272.12	9,012.40
Value of Sales & Services (Revenue)		1,60,965.16	1,29,141.74
Less: GST / Service Tax Recovered		16,447.81	13,952.76
Revenue from Operations	20	1,44,517.35	1,15,188.98
Other Income	21	271.59	131.99
Total Income		1,44,788.94	1,15,320.97
EXPENSES			
Cost of Materials Consumed		2.99	3.20
Purchases of Stock-in-Trade		1,22,745.81	1,00,084.49
Changes in Inventories of Finished Goods and Stock-in-Trade	22	1,941.48	(813.68)
Employee Benefits Expense	23	975.28	923.07
Finance Costs	24	868.32	611.70
Depreciation and Amortisation Expense	1	1,122.42	612.05
Other Expenses	25	9,596.03	8,974.28
Total Expenses		1,37,252.33	1,10,395.11
Profit Before share of Profit/(Loss) of Joint Ventures and Tax		7,536.61	4,925.86
Share of Profit/(Loss) of Joint Ventures		(9.43)	53.81
Profit before Tax		7,527.18	4,979.67
Tax Expenses:			
Current Tax	26	1,033.74	1,081.75
Tax for earlier years	26	(2.94)	-
Deferred Tax	26	881.94	643.51
		1,912.74	1,725.26
Profit for the year		5,614.44	3,254.41
Other Comprehensive Income (OCI)			
(i) Items that will not be reclassified to Profit and Loss	23.1	(14.59)	1.88
(ii) Income tax relating to items that will not be reclassified to profit or loss		1.97	(0.40)
(iii) Items that will be reclassified to Profit or loss		13.87	6.33
(iv) Income tax relating to items that will be reclassified to profit or loss		(3.46)	(1.45)
		(2.21)	6.36
Total Comprehensive Income (Net of Tax)		5,612.23	3,260.77
Net Profit Attributable to:			
(a) Owners of the Company		5,614.44	3,254.41
(b) Non Controlling Interest		-	-
Other Comprehensive Income attributable to:			
(a) Owners of the Company		(2.21)	6.36
(b) Non Controlling Interest		-	-
Total Comprehensive Income attributable to:			
(a) Owners of the Company		5,612.23	3,260.77
(b) Non Controlling Interest		-	-
Earnings per equity share of face value of ₹ 10 each			
Basic	29	10.55	6.12
Diluted	29	8.88	5.15
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1 to 37		
As per our Report of even date			
For D T S & Associates LLP Chartered Accountants (Firm Registration No. 142412W/W100595)	For Deloitte Haskins & Sells LLP Chartered Accountants (Firm Registration No. 117366W/W-100018)	For and on behalf of the Board V. Subramaniam Whole-Time Director	Pankaj Pawar Director Sanjay Jog Director
Saurabh Pamecha Partner Membership No. 126551	Ketan Vora Partner Membership No. 100459	Geeta Fulwadaya Director	Prof. Dipak C. Jain Director K. Sudarshan Director
Mumbai Dated: 28th April, 2020		Ranjit V. Pandit Director	Dinesh Thapar Chief Financial Officer K. Sridhar Company Secretary

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

A. Equity Share Capital

₹ crore

Balance as at 1st April, 2018	Change during the year 2018-19	Balance as at 31st March, 2019	Change during the year 2019-20	Balance as at 31st March, 2020
4989.54	-	4989.54	0.86	4990.40

B. Other Equity

₹ crore

	As at 31st March, 2020							As at 31st March, 2019								
	Instruments Classified as Equity			Reserves and surplus			Other Compre- hensive Income	Total	Instruments Classified as Equity			Reserves and surplus			Other Compre- hensive Income	Total
	8.5% Non Cumulative Optionally Convertible Preference Shares of ₹ 10 each, ₹ 2.50 paid up	Call Money towards OCPS	Compul- sory Convertible Debentures of ₹ 10,00,000 each, Fully Paid up	Capital Reserve	Retained Earnings	Securities Premium Reserve			8.5% Non Cumulative Optionally Convertible Preference Shares of ₹ 10 each, ₹ 2.50 paid up	Call Mon- ey towards OCPS	Com- pulsorily Convertible Debentures of ₹ 10,00,000 each, Fully Paid up	Capital Reserve	Retained Earnings	Securities Premium		
Balance at beginning of reporting period	200.00	381.20	330.00	0.06	5,934.36	800.00	22.71	7,668.33	200.00	-	330.00	0.06	2,679.95	800.00	16.35	4,026.36
Add: Call money received towards Optionally Convertible Preference Shares	-	0.02	-	-	-	-	-	0.02	-	381.20	-	-	-	-	-	381.20
Add: Profit for the year	-	-	-	-	5,614.44	-	(2.21)	5,612.23	-	-	-	-	3,254.41	-	6.36	3,260.77
Balance at the end of reporting period	200.00	381.22	330.00	0.06	11,548.80	800.00	20.50	13,280.58	200.00	381.20	330.00	0.06	5,934.36	800.00	22.71	7,668.33

As per our Report of even date

For D T S & Associates LLP
Chartered Accountants
(Firm Registration No. 142412W/W100595)

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

For and on behalf of the Board

V. Subramaniam Pankaj Pawar Sanjay Jog
Whole-Time Director Director Director

Saurabh Pamecha
Partner
Membership No. 126551

Ketan Vora
Partner
Membership No. 100459

Geeta Fulwadaya Prof. Dipak C. Jain K Sudarshan
Director Director Director

Mumbai
Dated: 28th April, 2020

Ranjit V. Pandit Dinesh Thapar K. Sridhar
Director Chief Financial Officer Company Secretary

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

	₹ crore	
	2019-20	2018-19
A: CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax as per Statement of Profit and Loss	7,527.18	4,979.67
Adjusted for:		
Loss on sale/ discarding of Property, Plant and Equipment (net)	44.05	30.50
Depreciation and Amortisation Expense	1,122.42	612.05
Effect of Exchange Rate Change	8.26	34.72
Net Gain on Financial Assets	(67.66)	(25.83)
Share in (Profit)/ Loss of Joint Ventures	9.43	(53.81)
Interest Income	(176.94)	(71.72)
Dividend Income	(2.75)	(6.32)
Finance Costs	868.32	611.70
	<u>1,805.13</u>	<u>-</u>
Operating Profit before Working Capital Changes	9,332.31	6,110.96
Adjusted for:		
Trade and Other Receivables	856.00	(2,221.71)
Inventories	1,910.42	(820.88)
Trade and Other Payables	5,481.57	(378.60)
	<u>8,247.99</u>	<u>(3,421.19)</u>
Cash Generated from Operations	17,580.30	2,689.77
Taxes Paid (Net)	(1,123.16)	(996.69)
Net Cash flow from Operating Activities*	16,457.14	1,693.08
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and Intangible Assets	(7,198.76)	(4,792.14)
Proceeds from disposal of Property, Plant and Equipment and Intangible Assets	492.19	49.31
Movement in Loans	(1,308.20)	(648.77)
Share Application money Paid	-	(2.50)
Purchase of Other Investments	(55,933.52)	(16,795.64)
Proceeds from Sale of Financial Assets	59,000.43	16,781.97
Interest Income	164.56	26.61
Net Cash Flow used in Investing Activities	(4,783.30)	(5,381.16)
C: CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Preference Share / Equity Instruments	0.88	381.20
Movement in Deposits	(2,720.11)	(2,292.44)
Repayment of Lease Liabilities	(2.59)	-
Repayment of Borrowings Non-current	-	(0.22)
Borrowings - Current (net)	(8,134.82)	9,352.76
Interest Paid	(856.10)	(609.20)
Net Cash flow from / (Used in) Financing Activities	(11,712.74)	6,832.10
Net (decrease)/ increase in Cash and Cash Equivalents	(38.90)	3,144.02
Opening Balance of Cash and Cash Equivalents	387.59	246.46
Closing Balance of Cash and Cash Equivalents	348.69	3,390.48
Cash and Cash Equivalents		
Cash and Cash Equivalents as above	348.69	3,390.48
Less:		
Investment in Liquid Mutual Fund (Refer Note 6)	-	(3,002.89)
Closing Balance of Cash and Cash Equivalents (Refer Note 8)	348.69	387.59

* Amount spent in Cash towards Corporate Social Responsibility is ₹ 51.91 crore (Previous Year ₹ 21.92 crore)

As per our Report of even date

For D T S & Associates LLP
Chartered Accountants
(Firm Registration No. 142412W/W100595)

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

For and on behalf of the Board

V. Subramaniam Pankaj Pawar
Whole-Time Director Director

Sanjay Jog
Director

Saurabh Pamecha
Partner
Membership No. 126551

Ketan Vora
Partner
Membership No. 100459

Geeta Fulwadaya Prof. Dipak C. Jain
Director Director

K Sudarshan
Director

Mumbai
Dated: 28th April, 2020

Ranjit V. Pandit Dinesh Thapar K. Sridhar
Director Chief Financial Officer Company Secretary

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

A. Corporate Information

The Consolidated Financial Statements comprise of Financial Statements of “Reliance Retail Limited” (“the Holding Company” or “The Company”) and its subsidiaries (collectively referred to as “the Group”) for the year ended 31st March, 2020.

The principal activity of the Group, its Joint Ventures consist of ‘Organised Retail’ primarily catering to Indian consumers in various consumption baskets and ‘Petro Retail’. Further details about the business operations of the Group are provided in Note – 36 Segment Information.

B. Significant Accounting Policies

B.1 Basis of Preparation and Presentation

The Consolidated Financial Statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value:

- i) Certain Financial Assets and Liabilities (including derivative instruments),
- ii) Defined Benefit Plans - Plan Assets and
- iii) Equity settled Share Based Payments

The Consolidated Financial Statements of the Group have been prepared to comply with the Indian Accounting Standards (‘Ind AS’), including the Rules notified under the relevant provisions of the Companies Act, 2013.

The Consolidated Financial Statements comprises of Reliance Retail Limited and its subsidiaries, being the entities that it controls. Control is assessed in accordance with the requirement of Ind AS 110- Consolidated Financial Statements.

The Consolidated Financial Statements are presented in Indian Rupees (₹) and all values are rounded to the nearest crore (₹ 00,00,000), except when otherwise indicated.

B.2 Principles Of Consolidation

- (a) The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- (b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.
- (c) The audited / unaudited financial statements of joint ventures have been prepared in accordance with the Generally Accepted Accounting Principle / Ind AS.
- (d) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- (e) The carrying amount of the parent’s investment in each subsidiary is offset (eliminated) against the parent’s portion of equity in each subsidiary.
- (f) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.
- (g) Investment in Joint Ventures has been accounted under the Equity Method as per Ind AS 28 – Investments in Associates and Joint Ventures. Investments in joint operations are accounted using the Proportionate Consolidation Method as per Ind AS 111 – Joint Arrangements.
- (h) The Group accounts for its share of post-acquisition changes in net assets of joint ventures, after eliminating unrealised profits and losses resulting from transactions between the Group and its joint ventures.
- (i) Non-Controlling Interest’s share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company.
- (j) Non-Controlling Interest’s share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet.

B.3 Summary of Significant Accounting Policies

(a) Current and Non-Current Classification

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

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

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 treated as 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 Group classifies all other liabilities as non-current.

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

(b) Property, Plant and Equipment

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

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

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

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

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

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

For short-term and low value leases, the Group 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 and any cost directly attributable for preparing the asset for its intended use.

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

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 Intangible Assets Under Development.

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

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

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

(e) Research and Development Expenditure

Revenue expenditure pertaining to research is charged to the Consolidated 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 Equivalents

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

(g) Finance Costs

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 Consolidated 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 except Gold and silver is determined on FIFO basis. Inventories of Gold / Silver are adjusted with gains / loss on qualifying fair value hedges.

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

The Group assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment, Goodwill 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 Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Consolidated 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

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

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

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

(k) Contingent Liabilities

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group 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 Group pays specified contributions to a separate entity. The Group makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme.

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

Defined Benefit Plans

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

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

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

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

(m) Tax Expenses

The tax expenses for the period comprises of current tax and Deferred Income Tax. Tax is recognised in Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity. In which 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 taxation authorities, based on tax rates and laws that are enacted at the Balance sheet date.

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

ii) **Deferred Tax**

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

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

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

(n) **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 Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group 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 Consolidated Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to 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 Consolidated 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).

(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 Group has generally concluded that it is the principal in its revenue arrangement, as 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 Group has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

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

Revenue is measured at the amount of consideration which the Group 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. Generally the credit period does not exceed 90 days for sale of goods or services as the case may be.

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

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

Contract balances

Trade receivables

A receivable represents the Group'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 Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group 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 Group 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 Group'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 or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

B. Subsequent Measurement

a) Financial Assets 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.

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

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 Group 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 Consolidated Statement of Profit and Loss, except for those equity investments for which the Group 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 Group uses "Expected Credit Loss" (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

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

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 Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group 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 Group 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 Consolidated 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 and Hedge Accounting

The Group 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 Group formally designates and documents the hedge relationship to which the Group 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 also subsequently measured at fair value. Derivatives are carried as Financial Assets when the fair value is positive and as Financial Liabilities when the fair value is negative.

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

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

A. Cash Flow Hedge

The Group designates derivative contracts or non-derivative Financial Assets / Liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of Other Comprehensive Income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Consolidated Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Consolidated statement of profit and loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Consolidated Statement of Profit and Loss.

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

B. Fair Value Hedge

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

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

iv) Derecognition of Financial Instruments

The Group 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 Group'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 Group 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) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable.

A sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification.

Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less cost of sell and are presented separately in the Consolidated Balance Sheet.

(s) 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 Group'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 life, after taking into account estimated residual value.

Management reviews the estimated useful life and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful life and residual values are based on the Group'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 Receivables

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

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

(c) Provisions

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

(d) Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group 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 group 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 transactions 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 Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group'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 Group 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 32 of financial statements.

(h) Leases

With effect from 1st April 2019, Ind AS 116 – "Leases" (Ind AS 116) supersedes Ind AS 17 – "Leases". The Group has adopted Ind AS 116 using the prospective approach and had evaluated if an arrangement qualifies to be a lease as per requirements of Ind AS 116. Identification of lease requires significant judgement. In case of Reliance Retail Limited, the Holding Company, large portion of the leases are cancellable by both lessor and lessee or are arrangements which qualify as variable leases and hence are not considered for recognition of Right of Use Asset and lease liabilities. Also there are few lease arrangements which are cancellable only at the option of the lessee but have not been considered for recognition of Right of Use Assets and lease liabilities on grounds of materiality and exercisability.

(i) Estimation uncertainty 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. The Telecom recharge and the Grocery business of the Company is continuing and largely remains unaffected. Management expects some impact on the margins in Consumer electronics and durables as well as Fashion and apparel business. However it is expected to see growth in the Digital commerce business. 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 Consolidated Financial Statements for the year ended 31st March, 2020

1. Property, Plant and Equipment, Intangible Assets, Capital Work-in-progress, and Intangible Assets under Development

₹ crore

Description	Gross Block				Depreciation/ Amortisation				Net Block	
	As at 1st April, 2019	Additions	Deductions/ Adjustment	As at 31st March, 2020	As at 1st April, 2019	For the period	Deductions/ Adjustment	Upto 31st March, 2020	As at 31st March, 2020	As at 31st March, 2019
Property, Plant and Equipment										
Own Assets:										
Freehold Land	17.93	-	-	17.93	-	-	-	-	17.93	17.93
Buildings	21.27	-	-	21.27	3.54	0.51	-	4.05	17.22	17.73
Plant and Machinery	1,251.81	124.05	897.73	478.13	494.98	132.33	401.54	225.77	252.36	756.83
Electrical Installations	2,128.05	680.63	26.56	2,782.12	539.46	234.03	14.88	758.61	2,023.51	1,588.59
Equipment	3,041.12	804.34	40.43	3,805.03	851.85	286.13	19.55	1,118.43	2,686.60	2,189.27
Furniture and Fixtures	1,160.79	580.82	10.65	1,730.96	294.95	136.92	4.75	427.12	1,303.84	865.84
Vehicles	9.71	-	7.87	1.84	7.88	0.65	7.20	1.33	0.51	1.83
Leasehold Improvements	1,137.69	365.14	8.71	1,494.12	456.58	110.76	7.79	559.55	934.57	681.11
Sub-Total	8,768.37	2,554.98	991.95	10,331.40	2,649.24	901.33	455.71	3,094.86	7,236.54	6,119.13
Right-of-Use Assets:										
Leasehold Land	25.79	-	-	25.79	4.73	0.24	-	4.97	20.82	21.06
Operating lease	-	17.18	-	17.18	-	2.63	-	2.63	14.55	-
Sub-Total	25.79	17.18	-	42.97	4.73	2.87	-	7.60	35.37	21.06
Total (A)	8,794.16	2,572.16	991.95	10,374.37	2,653.97	904.20	455.71	3,102.46	7,271.91	6,140.19
Intangible Assets										
Franchisee Rights	1.34	-	-	1.34	0.33	0.05	-	0.38	0.96	1.01
Trademark	135.00	0.66	-	135.66	0.04	13.55	-	13.59	122.07	134.96
Software	983.26	108.29	-	1,091.55	27.19	204.63	-	231.82	859.73	956.07
Total (B)	1,119.60	108.95	-	1,228.55	27.56	218.23	-	245.79	982.76	1,092.04
Total (A+B)	9,913.76	2,681.11	991.95	11,602.92	2,681.53	1,122.43	455.71	3,348.25	8,254.67	7,232.23
Previous year	5,439.06	4,687.58	212.88	9,913.76	2,202.55	612.05	133.07	2,681.53	7,232.23	3,236.51
Capital Work-in-Progress									6,070.47	2,532.16
Intangible Assets Under Development									2,752.74	1,788.99

1.1 Capital Work-in-Progress and Intangible Assets Under Development includes:

1. Capital Work-in-Progress Includes:

- ₹ 81.86 crore (Previous Year ₹ 323.05 crore) on account of Capital Goods Inventory.
- ₹ 5,988.61 Crore (Previous Year ₹ 2,209.11 Crore) relate to projects under implementation for new business initiatives.

2. Intangible Assets Under Development includes:

- ₹ 2,752.74 crore (Previous Year ₹ 1,788.99 crore) on account of Project Development Expenditure.

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

2. Non-Current Investments

	As at 31st March, 2020		As at 31st March, 2019	
	Units	₹ crore	Units	₹ crore
Investments measured at Amortised Cost				
Government and Other Securities - Unquoted				
6 years National Savings Certificates (Includes deposited with Government Authorities)		0.29		0.29
Total of Investments measured at Amortised Cost		<u>0.29</u>		<u>0.29</u>
Investments measured at Cost (Accounted using Equity Method)				
In Equity Shares of Joint Venture Companies - Unquoted, Fully Paid Up				
Reliance-Vision Express Private Limited of ₹ 10 each	9,70,00,000	35.88	9,20,00,000	39.37
Reliance-GrandVision India Supply Private Limited of ₹ 10 each	1,35,00,000	8.17	1,35,00,000	8.45
Marks and Spencer Reliance India Private Limited (Class A Shares of ₹ 10 each)	81,42,722	50.66	81,42,722	50.79
Marks and Spencer Reliance India Private Limited (Class C Shares of ₹ 5 each)	9,51,16,546	207.12	9,51,16,546	204.60
Supreme Tradelinks Private Limited of ₹ 10 each	-	-	10,63,545	3.04
Total of Investments measured at Cost		<u>301.83</u>		<u>306.25</u>
Investments measured at Fair Value through Profit and Loss				
In equity shares - Unquoted, fully paid up				
The Colaba Central Co-operative Consumer's Wholesale and Retail Stores Limited (Sahakari Bhandar) of ₹ 200 each. (₹ 5 000 (previous year ₹ 5 000))	25	0.00	25	0.00
Retailers Association's Skill Council of India of ₹ 100 each	500	0.01	500	0.01
Air Controls and Chemical Engg. Co. Limited of ₹ 1 each (₹ 1500 (previous year ₹ 1500))	1,000	0.00	1,000	0.00
Total of Investments measured at Fair Value through Profit and Loss		<u>0.01</u>		<u>0.01</u>
Investments measured at Fair Value through Other Comprehensive Income (OCI)				
In equity shares - Unquoted, fully paid up				
KaiOS Technologies Inc (KTI) of USD 0.01 each	19,04,781	45.54	19,04,781	45.54
In Preferred shares - Unquoted, fully paid up				
KaiOS Technologies Inc (KTI) of USD 0.01 each	6,25,000	36.33	6,25,000	36.33
Total of Investments measured at Fair Value through Other Comprehensive Income		<u>81.87</u>		<u>81.87</u>
Total Investment - Non-Current		<u>384.00</u>		<u>388.42</u>
				₹ crore
		As at 31st March, 2020		As at 31st March, 2019
2.1 Category-wise Investments- Non-Current				
Financial assets measured at Amortised Cost		0.29		0.29
Financial assets measured at Cost		301.83		306.25
Financial assets measured at Fair value through Profit & Loss (FVTPL)		0.01		0.01
Investments measured at Fair Value through Other Comprehensive Income (OCI)		81.87		81.87
Total Non current investment		<u>384.00</u>		<u>388.42</u>

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

	As at 31st March, 2020	As at 31st March, 2019
3. Loans - Non-Current (Unsecured and Considered Good)		
Loans and Advances to Related Parties (Refer Note 33)	2,327.63	1,051.09
Loans and Advances to Others	30.00	-
Others*	1.66	-
Total	<u>2,359.29</u>	<u>1,051.09</u>

* Others represents fair value of interest free Rental Deposits

Sr no.	Name of the company	As at 31st March, 2020	Maximum Balance during the year	As at 31st March, 2019	Maximum Balance during the year
1	Reliance Brands Limited	2,235.45	2,235.45	1,051.09	1,051.09
2	Shri Kannan Departmental Store Private Limited	92.18	92.18	-	-
	Total	<u>2,327.63</u>	<u>2,327.63</u>	<u>1,051.09</u>	<u>1,051.09</u>

(i) All the above loans and advances has been given for the business purposes.

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

	As at 31st March, 2020	As at 31st March, 2019
4. Other Non- Current Assets <i>(unsecured and considered good)</i>		
Capital Advances	31.83	45.06
Deposits ⁽ⁱ⁾	16.61	18.49
Advance Income Tax (Net of Provision) ⁽ⁱⁱ⁾	186.13	95.26
Other Loans and Advances ⁽ⁱⁱⁱ⁾	2.56	1.01
Total	<u>237.13</u>	<u>159.82</u>

⁽ⁱ⁾ Deposits given to Statutory Authorities

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

	As at 31st March, 2020	As at 31st March, 2019
At start of year	95.26	178.47
Charge for the year	(1,033.74)	(1,081.75)
Others *	1.45	1.85
Tax paid during the year (net of refunds)	1,123.16	996.69
At end of year	<u>186.13</u>	<u>95.26</u>

* Mainly pertains to Provision for Tax on Other Comprehensive Income

⁽ⁱⁱⁱ⁾ Represents Loan to Employees.

	As at 31st March, 2020	As at 31st March, 2019
5. Inventories <i>(valued at lower of cost or net realisable value)</i>		
Raw Materials	0.25	0.85
Finished Goods	-	0.05
Stores and Spares	98.66	67.00
Stock-in-Trade ⁽ⁱ⁾	9,484.20	11,425.63
Total	<u>9,583.11</u>	<u>11,493.53</u>

⁽ⁱ⁾ Includes Inventory in transit

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

	As at 31st March, 2020	As at 31st March, 2019
6. Investments - Current <i>(valued at lower of cost and quoted/ fair value)</i>		₹ crore
Investments Measured at Fair Value Through Profit & Loss (FVTPL)		As at
In Mutual Funds - Unquoted	-	3,002.89
Investments Measured at Fair Value Through OCI (FVTOCI)		As at
In Mutual Funds - Unquoted	233.13	215.39
Total Investments - Current	233.14	3,218.28
Aggregate amount of Unquoted Investment	233.14	3,218.28
7. Trade Receivables <i>(Unsecured and Considered Good)</i>		₹ crore
Trade Receivables	2,759.23	4,632.14
Total	2,759.23	4,632.14
8. Cash & Cash Equivalents		₹ crore
Cash in Hand	50.53	148.29
Balances with Banks ^{(i), (ii) & (iii)}	298.16	239.30
Cash and Cash Equivalent as per Balance Sheet	348.69	387.59
Cash and Cash Equivalent as per Consolidated Cash Flow Statement	3 48.69	3 87.59
⁽ⁱ⁾ Includes deposits of ₹ 0.18 crore (previous year ₹ 25.57 crore) with maturity period of more than 12 months.		
⁽ⁱⁱ⁾ Includes deposits of ₹ 122.76 crore (previous year ₹ 51.50 crore) held by tax authority as security, by bank as margin money for bank guarantees, forward contracts and working capital loan.		
⁽ⁱⁱⁱ⁾ Includes deposits ₹ 8.00 crore (Previous year ₹ 6.00 crore) held as Deposit Reserve Fund.		
8.1 Cash and Cash Equivalents includes deposits maintained by the Company with banks, which can be withdrawn by the Company at any point of time without prior notice or penalty on the principal.		
9. Other Financial Assets- Current		₹ crore
Interest Accrued on Investment	0.13	0.11
Deposits	1,055.07	256.82
Others ⁽ⁱ⁾	451.83	124.01
Share Application money paid	-	2.50
Total	1,507.03	383.44
⁽ⁱ⁾ Includes Fair valuation of Derivatives & Interest receivable.		
10. Other Current Assets <i>(unsecured and considered good)</i>		₹ crore
Balance with Customs, Central Excise, GST and State Authorities, etc.	1,088.99	958.40
Others ⁽ⁱ⁾	647.52	874.58
Total	1,736.51	1,832.98
⁽ⁱ⁾ Includes advances to Vendors and Employees.		

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

		₹ crore	
		As at 31st March, 2020	As at 31st March, 2019
11. Share Capital			
Authorised Share Capital:			
13,50,00,00,000	Equity shares of ₹ 10 each	13,500.00	13,500.00
(13,50,00,00,000)			
1,50,00,00,000	Preference shares of ₹ 10 each	1,500.00	1,500.00
(1,50,00,00,000)			
	Total	15,000.00	15,000.00
Issued, Subscribed and paid up			
4,99,04,04,513	Equity shares of ₹ 10 each fully paid	4,990.40	4,989.54
(4,98,95,41,650)			
	Total	4,990.40	4,989.54
(i)	4,98,70,26,060 (4,98,70,26,060)	Shares are held by Reliance Retail Ventures Limited, the holding company.	
(ii)	4,98,95,41,650 (4,98,95,41,650)	Shares were allotted pursuant to the Scheme of Arrangement and Amalgamation without payment being received in cash.	
(iii)	The details of Shareholders holding more than 5% shares :		
	Name of the Shareholders	As at 31st March, 2020	As at 31st March, 2019
		No. of Shares	No. of Shares
		% held	% held
	Reliance Retail Ventures Limited	498,70,26,060	498,70,26,060
		99.93	99.95
(iv)	The Reconciliation of the number of shares outstanding is set out below :		
	Particulars	As at 31st March, 2020	As at 31st March, 2019
		No. of shares	No. of shares
	Equity Shares outstanding at the beginning of the year	498,95,41,650	498,95,41,650
	Add: Equity Shares issued during the year	8,62,863	-
	Equity Shares at the end of the year	4,99,04,04,513	498,95,41,650
(v)	The Company is authorised to issue up to forty nine crore Restricted Stock Units (RSUs) to eligible employees under Reliance Retail Restricted Stock Unit Plan 2007. The RSUs vest on different dates over a period of sixteen years from the date of grant of RSUs as per the scheme and upon vesting, the employees are entitled to three equity shares of ₹ 10 each for every five RSUs. As on March 31, 2020, RSUs in force total to three lakh thirty one thousand seven hundred eighty nine (previous year seventeen lakh sixty nine thousand eight hundred ninety four).		
(vi)	The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.		

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

	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
12. Other Equity		
Instruments Classified as Equity		
8.5% Non-Cumulative Optionally Convertible Preference Shares of ₹ 10 each, at ₹ 2.5 each paid up		
As per last Balance Sheet	200.00	200.00
Call Money towards OCPS		
As per last Balance Sheet	381.20	-
Add: Received during the year	<u>0.02</u>	<u>381.20</u>
	381.22	381.20
Compulsorily Convertible Debentures		
As per last Balance sheet	<u>330.00</u>	<u>330.00</u>
	911.22	911.20
Securities Premium		
As per last Balance Sheet	800.00	800.00
Capital Reserve		
As per last Balance Sheet	0.06	0.06
Retained Earnings		
As per last Balance Sheet	5,934.36	2,679.95
Add: Profit for the year	<u>5,614.44</u>	<u>3,254.41</u>
	11,548.80	5,934.36
Other Comprehensive Income		
As per last Balance Sheet	22.71	16.35
Add: Movement in OCI (Net) during the year	<u>(2.21)</u>	<u>6.36</u>
	20.50	22.71
Total	<u>13,280.58</u>	<u>7,668.33</u>

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

12.2 Details of Shareholder's holding more than 5% Preference Shares
(8.5% Non Cumulative Optionally Convertible Preference Shares)

Name of the Shareholders	No. of Shares	% held	No. of Shares	% held
Reliance Retail Ventures Limited (Holding Company)	79,99,89,606	99.99%	79,99,89,606	99.99%

12.3 Terms of 8.5% Non Cumulative Optionally Convertible Preference Shares

The OCPS shall be either redeemed at ₹ 50 per OCPS or converted into 5 (Five) Equity Shares of ₹ 10 each at any time at the option of the Company, but not later than 10 years from the date of allotment of the OCPS i.e February 17, 2018.

12.4 Rights, Preferences and Restrictions attached to Preference Shares

The Company has one class of Preference Shares i.e. 8.5% Non Cumulative Optionally Convertible Preference Shares (OCPS) of ₹ 10/- per OCPS. Such Preference Shares shall carry a preferential right over the Equity shares of the Company as regards to payment of dividend and repayment of capital, in the event of winding – up of the Company. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. The OCPS shall carry voting rights prescribed under the provisions of the Companies Act, 2013.

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

12.5 The reconciliation of the number of 8.5% Non Cumulative Optionally Convertible Preference Shares outstanding is set out below:

Particulars	As at	As at
	31st March, 2020	31st March, 2019
	No. of Shares	No. of Shares
Preference Shares at the beginning of the year	80,00,00,000	80,00,00,000
Add: Preference Shares issued during the year	-	-
Preference Share Outstanding at the end of the year	<u>80,00,00,000</u>	<u>80,00,00,000</u>

₹ crore

13. Financial Liabilities - Non-Current

	As at	As at
	31st March, 2020	31st March, 2019
Lease Liabilities	12.48	-
Total	<u>12.48</u>	<u>-</u>

₹ crore

14. Provisions- Non current

	As at	As at
	31st March, 2020	31st March, 2019
Provision for Employee Benefits (Refer Note 23.1) ⁽ⁱ⁾	38.21	26.75
Total	<u>38.21</u>	<u>26.75</u>

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

₹ crore

15. Deferred Tax Liabilities

	As at	As at
	31st March, 2020	31st March, 2019
Component of Deferred Tax		
Deferred Tax Liabilities (Net)	917.15	35.21
Net Deferred Tax Asset / (Liabilities)	<u>(917.15)</u>	<u>(35.21)</u>

Deferred tax liabilities (Net) in relation to:

	As at	(Charge)/ Credit to	As at
	31st March, 2019	Statement of	31st March, 2020
		Profit and Loss	
Property, plant and equipment	379.60	545.95	925.55
Mat Credit	(335.44)	335.44	-
Disallowance	(8.95)	0.55	(8.40)
Deferred Tax Liabilities (Net)	<u>35.21</u>	<u>881.94</u>	<u>917.15</u>
Net Deferred Tax Asset / (Liabilities)	<u>(35.21)</u>	<u>881.94</u>	<u>(917.15)</u>

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

	As at 31st March, 2020	₹ crore As at 31st March, 2019
16. Borrowings - Current		
Secured - At amortised Cost		
Working Capital Loans		
From Banks ⁽ⁱ⁾	1,301.48	483.91
Unsecured - At amortised Cost		
From Banks ⁽ⁱⁱ⁾	2,800.00	64.96
From Others		
Commercial Papers ⁽ⁱⁱⁱ⁾	493.70	12,251.69
Loans and Advances from Related Parties ^(iv)	70.56	-
Total	<u>4,665.74</u>	<u>12,800.56</u>
⁽ⁱ⁾ Working Capital Loans from Banks referred above to the extent of:		
- ₹ 1,301.48 crore (Previous year ₹ 483.84 crore) are secured by way of first charge on all the current assets of the company.		
- ₹ NIL (Previous year ₹ 0.07 crore) are secured by way of lien on Fixed Deposits.		
⁽ⁱⁱ⁾ Represents Working Capital Demand Loan (WC DL) taken.		
⁽ⁱⁱⁱ⁾ Maximum amount outstanding at any time during the year was ₹ 19,700 crore (Previous year ₹ 13,550 crore)		
^(iv) Represents Intercompany Deposits (ICD) from Holding company.		
16.1 Refer note 32 for maturity profile.		
17. Other Financial Liabilities - Current		
	As at 31st March, 2020	₹ crore As at 31st March, 2019
Interest Accrued but not due on Borrowings	14.74	2.52
Lease Liabilities - Current	2.11	-
Creditors for Capital Expenditure	85.18	131.18
Other Payables ⁽ⁱ⁾	5,220.37	4,220.17
Total	<u>5,322.40</u>	<u>4,353.87</u>
⁽ⁱ⁾ Includes Security Deposits Received & Financial Liability at fair Value		
18. Provisions- Current		
	As at 31st March, 2020	₹ crore As at 31st March, 2019
Provision for Employee Benefits (Refer Note 23.1) ⁽ⁱ⁾	4.18	2.94
Total	<u>4.18</u>	<u>2.94</u>
⁽ⁱ⁾ The provision for employee benefit includes gratuity, annual leave and vested long service leave entitlement accrued and compensation claims made by employees.		
19. Other Current Liabilities		
	As at 31st March, 2020	₹ crore As at 31st March, 2019
Income Received in Advance	373.31	313.24
Other Payables ^{(i)&(ii)}	750.51	447.02
Total	<u>1,123.82</u>	<u>760.26</u>
⁽ⁱ⁾ Includes statutory dues and advances from customers.		
⁽ⁱⁱ⁾ Includes ₹ 134.75 crore (Previous year ₹ 49.24 crore) received towards sale of Jewellery products under various sale initiatives/retail customer programmes.		

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

	2019-20	2018-19
20. Revenue from Operations		
Disaggregated Revenue		
Organised Retail		
Value of Sales	1,18,028.43	94,291.49
Income from Services	12,362.64	7,687.90
Sub Total	<u>1,30,391.07</u>	<u>1,01,979.39</u>
Petro Retail		
Value of Sales	14,124.35	13,207.61
Income from Services	1.93	1.98
Sub Total	<u>14,126.28</u>	<u>13,209.59</u>
Total *	<u>1,44,517.35</u>	<u>1,15,188.98</u>
* Net of GST		

	2019-20	2018-19
21. Other Income		
Interest		
Bank Deposits	10.57	6.16
Others	176.94	71.72
	<u>187.51</u>	<u>77.88</u>
Gain on Financial Assets		
Realised Gain	70.55	25.83
Unrealised Gain	<u>(2.89)</u>	<u>2.89</u>
	67.66	28.72
Dividend Income	2.75	6.32
Other Non-Operating Income	13.67	19.07
Total	<u>271.59</u>	<u>131.99</u>

Above Other Income comprises of assets measured at amortised cost ₹ 187.51 crores (previous year ₹ 77.88 crores), Fair value through Profit and Loss ₹ 70.41 crores (previous year ₹ 35.04 crores) and Other Non-Operating Income ₹ 13.67 crores (previous year ₹ 19.07 crores).

21.1 Other Comprehensive Income - Items that will not be reclassified to Profit and loss

	2019-20	2018-19
Remeasurement of Defined Benefits Plan	<u>(14.59)</u>	1.88
Total	<u>(14.59)</u>	<u>1.88</u>

21.2 Other Comprehensive Income - Items that will be reclassified to Profit and loss

	2019-20	2018-19
Mutual Fund	13.87	6.33
Total	<u>13.87</u>	<u>6.33</u>

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

			₹ crore	
22. Changes in Inventories of Finished Goods and Stock-in-Trade	2019-20		2018-19	
Inventories (at close)				
Finished Goods/ Stock-in-Trade	9,484.20		11,425.68	
Inventories (at commencement)				
Finished Goods/ Stock-in-Trade	<u>11,425.68</u>		<u>10,612.00</u>	
Total	<u>1,941.48</u>		<u>(813.68)</u>	
			₹ crore	
23. Employee Benefits Expense	2019-20		2018-19	
Salaries and Wages	763.22		749.53	
Contribution to Provident and Other Funds	54.56		47.20	
Staff Welfare Expenses	157.50		126.34	
Total	<u>975.28</u>		<u>923.07</u>	
23.1 As per Indian Accounting Standard 19 “Employee Benefits”, the disclosures as defined are given below :				
Defined Contribution Plan				
Contribution to defined contribution plan, recognised as expenses for the year is as under:				
			₹ crore	
Particulars	2019-20		2018-19	
Employer’s Contribution to Provident Fund	23.35		19.45	
Employer’s Contribution to Superannuation Fund	0.13		0.10	
Employer’s Contribution to Pension Scheme	17.57		13.41	
Defined Benefit Plan				
I. Reconciliation of Opening and Closing Balances of Defined Benefit Obligation	₹ crore			
Particulars	Gratuity (funded)		Gratuity (unfunded)	
	2019-20	2018-19	2019-20	2018-19
Defined Benefit Obligation at beginning of the year	51.30	41.73	0.05	0.04
Current Service Cost	16.00	11.38	0.02	0.02
Interest Cost	4.11	3.34	-	-
Actuarial (Gain)/ Loss	15.42	(1.73)	0.01	(0.01)
Benefits Paid	(3.56)	(3.42)	-	-
Transfer In/(Out)	(2.80)	-	-	-
Defined Benefit Obligation at the end of the year	80.47	51.30	0.08	0.05
* Includes benefits of ₹ 3 crore (Previous Year ₹ Nil crore) paid directly by Employer Entities				
II. Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets	₹ crore			
Particulars	Gratuity (funded)			
	2019-20	2018-19		
Fair Value of Plan Assets at beginning of the year	52.56	43.16		
Return on Plan Assets	4.29	3.60		
Actuarial Gain/ (Loss)	(0.03)	(0.03)		
Employer Contribution	24.79	9.25		
Benefits Paid	(0.22)	(3.42)		
Fair Value of Plan Assets at the end of the year	81.39	52.56		

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

Particulars	₹ crore			
	Gratuity (funded)		Gratuity (unfunded)	
	2019-20	2018-19	2019-20	2018-19
Fair Value of Plan Assets	81.39	52.56	-	-
Present Value of Obligation	80.47	51.30	0.08	0.05
Amount recognised in Balance Sheet (Surplus/ Deficit)	0.92	1.26	0.08	0.05

IV. Expenses Recognised during the year

Particulars	Gratuity (funded)		Gratuity (unfunded)	
	2019-20	2018-19	2019-20	2018-19
In Income Statement				
Current Service Cost	16.00	11.38	0.02	0.02
Interest Cost	3.79	3.34	-	-
Return on Plan Assets	(3.91)	(3.17)	-	-
Net Cost	15.88	11.55	0.02	0.02
In Other Comprehensive income				
Actuarial (Gain)/ Loss	15.42	(1.72)	0.01	(0.01)
Return on Plan Assets	(0.03)	(0.12)	-	-
Net (Income)/ Expense for the period Recognised in OCI	15.39	(1.84)	0.01	(0.01)

V. Investment Details

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	₹ crore	% Invested	₹ crore	% Invested
Insurance Policies	81.30	99.89	52.09	99.11
Others	0.09	0.11	0.47	0.89
	81.39	100.00	52.56	100.00

VI. Actuarial Assumptions

Particulars	Gratuity (funded)		Gratuity (unfunded)	
	2019-20	2018-19	2019-20	2018-19
Mortality Table (IALM)	2006-08	2006-08	2006-08	2006-08
	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)
Discount Rate (per annum)	6.84%	8.00%	6.84%	8.00%
Expected Rate of Return on Assets (per annum)	6.84%	8.00%	-	-
Rate of Escalation in Salary (per annum)	6.00%	6.00%	6.00%	6.00%
Rate of Employee Turnover (per annum)	2.00%	2.00%	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 Group's policy for plan assets management.

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

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

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

Investment risk The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan'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
	2019-20	2018-19
24. Finance Costs		
Interest Expenses	867.03	611.70
Lease	1.29	-
Total	<u>868.32</u>	<u>611.70</u>

		₹ crore
	2019-20	2018-19
25. Other Expenses		
Selling and Distribution Expenses		
Sales Promotion and Advertisement Expenses	542.65	714.50
Store Running Expenses	1,017.83	894.99
Brokerage, Discount, Royalty and Commission	1,434.58	2,008.00
Warehousing and Distribution Expenses	<u>618.58</u>	<u>552.36</u>
	3,613.64	4,169.85
Establishment Expenses		
Stores and Packing Materials	135.62	116.52
Machinery Repairs	0.49	0.43
Building Repairs and Maintenance	126.47	107.72
Other Repairs	5.80	11.48
Rent	896.91	700.07
Operating Lease Rentals	3,895.58	2,147.81
Insurance	82.33	61.72
Rates and Taxes	21.20	21.72
Travelling and Conveyance Expenses	64.86	82.23
Payment to Auditors	2.87	2.36
Professional Fees	56.78	73.12
Loss on Sale/ Discarding of Assets (Net)	44.05	31.94
Exchange Differences (Net)	14.35	982.56
Electricity Expenses	279.55	220.88
Charity and Donation	51.91	21.92
Hire Charges	39.18	50.31
General Expenses	<u>264.44</u>	<u>171.64</u>
	<u>5,982.39</u>	<u>4,804.43</u>
Total	<u>9,596.03</u>	<u>8,974.28</u>

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

		₹ Crore	
25.1 Payment to Auditors as:			
Particulars	2019-20	2018-19	
(a) Statutory Audit Fees	2.21	2.20	
(b) Tax Audit Fees	0.05	0.05	
(c) Cost Audit Fees	-	0.01	
(d) Certification and Consultation Fees	<u>0.61</u>	<u>0.10</u>	
	<u>2.87</u>	<u>2.36</u>	

Certification and Consultancy Fees primarily includes certification fees paid to Auditors. Statute and regulations permit auditors to certify export/ import documentation, XBRL filings, transfer pricing among others.

25.2 Corporate Social Responsibility (CSR)

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 : ₹ 51.91 crore (previous year ₹ 21.92 crore). Expenditure related to Corporate Social Responsibility is ₹ 51.91 Crore (previous year ₹ 21.92 crore). Details of Amount spent towards CSR given below:

		₹ crore	
Particulars	2019-20	2018-19	
Rural Transformation	13.79	14.36	
Disaster Relief	2.38	5.00	
Skilling and Employment Initiative	3.06	0.50	
Health	6.46	2.00	
Community Development	0.10	0.06	
Education	8.69	-	
Sports for development	17.07	-	
Environmental Sustainability	<u>0.36</u>	<u>-</u>	
Total *	<u>51.91</u>	<u>21.92</u>	

* Represents amount spent through Reliance Foundation ₹ 41.91 Crore (Previous Year ₹ 21.92 Crore) & Reliance Foundation Youth Sports ₹ 10.00 Crore (Previous Year ₹ NIL Crore)

		₹ in crore	
26 Taxation	Year Ended	Year Ended	
	31st March, 2020	31st March, 2019	
a) Income Tax recognised in Profit or Loss			
Current Tax	1,030.80	1,081.75	
Deferred Tax	<u>881.94</u>	<u>643.51</u>	
Total Income Tax Expense	<u>1,912.74</u>	<u>1,725.26</u>	

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

Particulars	31st March, 2020	31st March, 2019
Profit before Tax	7,527.18	4,979.67
Applicable Tax Rate	25.170%	34.944%
Computed Tax Expense	1,894.59	1,740.10
Tax Effect of :		
Carry forward losses utilised	-	(212.13)
Non taxable subsidiaries and Joint Ventures	5.83	(12.48)
Expenses disallowed	233.56	234.70
Additional Allowances	(1,100.24)	(442.27)
MAT Credit	-	(224.50)
Exempt Income	-	(1.67)
Prior period adjustment	<u>(2.94)</u>	<u>-</u>
Current Tax Provision (A)	<u>1,030.80</u>	<u>1,081.75</u>
Incremental Deferred Tax Liability on account of Property, Plant and Equipment and Intangible Assets	545.95	347.04
Incremental Deferred Tax Liability on account of Financial Assets & Other items	335.99	296.47
Deferred Tax Provision (B)	<u>881.94</u>	<u>643.51</u>
Tax Expenses recognised in Statement of Profit and Loss (A+B)	<u>1,912.74</u>	<u>1,725.26</u>
Effective Tax Rate	25.41%	34.65%

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

27 The subsidiary companies considered in the consolidated financial statements are:

Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest
Reliance Petro Marketing Limited	India	100%
Reliance-GrandOptical Private Limited	India	100%
Reliance Clothing India Private Limited	India	100%

28 The joint ventures considered in the consolidated financial statements are:

Name of Joint Ventures	Country of Incorporation	Proportion of ownership interest
Marks and Spencer Reliance India Private Limited	India	49%
Reliance-GrandVision India Supply Private Limited	India	50%
Reliance-Vision Express Private Limited	India	50%

29 Earnings Per Share (EPS)

	2019-20	2018-19
Face Value per Equity Share (₹)	10	10
Basic Earnings per Share (₹)	10.55	6.12
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (After adjusting Non Controlling Interest) (₹ crore)	5,614.44	3,254.41
Weighted average number of equity shares used as denominator for calculating Basic EPS	5,31,97,24,091	5,31,95,41,650
Diluted Earnings per Share (₹)	8.88	5.15
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (After adjusting Non Controlling Interest) (₹ crore)	5,614.44	3,254.41
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	6,31,99,64,474	6,32,06,09,972
Reconciliation of weighted average number of shares outstanding		
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	5,31,97,24,091	5,31,95,41,650
Total Weighted Average Potential Equity Shares	1,00,02,40,383	1,00,10,68,322
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	6,31,99,64,474	6,32,06,09,972

30 Commitments and Contingent Liabilities

	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
(A) Contingent liabilities		
(i) Outstanding guarantees furnished to banks including in respect of letters of credit		
(a) In respect of others	1,899.77	1,775.97
(ii) Guarantees to banks against credit facilities extended to third parties		
(a) In respect of others	9.63	34.83
(iii) Claim against the company/ disputed liabilities not acknowledged as debts*		
(a) In respect of others	59.88	67.64
(B) Commitments		
(i) Estimated amount of contracts remaining to be executed on capital accounts and not provided for		
(a) In respect of Others	77.84	282.28

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

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

31 Capital Management

The Group adheres to a disciplined Capital Management framework, the pillars of which are as follows:

- Maintain diversity of sources of financing in order to minimise liquidity risk.
- Manage financial market risks arising from foreign exchange, interest rates and commodity prices, and minimise the impact of market volatility on earnings.
- Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of Balance Sheet.

This framework is adjusted based on underlying macroeconomic factors affecting business environment, financial market conditions and interest rates environment.

Net Gearing Ratio

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

	As at 31st March, 2020	As at 31st March, 2019
Gross Debt	4,665.74	12,800.56
Cash and Marketable Securities*	581.83	3,605.87
Net Debt (A)	4,083.91	9,194.69
Total Equity (As per Balance Sheet) (B)	18,270.98	12,657.87
Net Gearing (A/B)	0.22	0.73

* Cash and Marketable Securities include Cash and Cash Equivalents of ₹ 348.69 crore (Previous Year ₹ 387.59 crore), Current Investments of ₹ 233.14 crore (Previous Year ₹ 3218.28 crore) .

32 Financial Instruments

Valuation Methodology

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

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

Fair value measurement hierarchy:

₹ crore

Particulars	As at 31st March, 2020				As at 31st March, 2019			
	Carrying Amount	Level of input used in			Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets								
At Amotised Cost								
Investments	0.29	-	-	-	0.29	-	-	-
Trade Receivables	2,759.23	-	-	-	4,632.14	-	-	-
Cash and Bank Balances	348.69	-	-	-	387.59	-	-	-
Loans	2,359.29	-	-	-	1,051.09	-	-	-
Other Financial Assets	1,482.18	-	-	-	375.04	-	-	-
At FVTPL								
Investments	0.01	-	-	0.01	3,002.90	3,002.89	-	0.01
Financial Derivatives	23.35	-	23.35	-	0.80	-	0.80	-
Commodity Derivatives	1.50	1.50	-	-	7.60	7.60	-	-

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

Particulars	As at 31st March, 2020				As at 31st March, 2019			
	Carrying Amount	Level of input used in			Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
At FVTOCI								
Investments	315.00	233.13	-	81.87	297.26	215.39	-	81.87
Financial Liabilities								
At Amortised Cost								
Borrowings	4,665.74	-	-	-	12,800.56	-	-	-
Trade Payables	5,958.19	-	-	-	4,550.35	-	-	-
Other Financial Liabilities	5,282.84	-	-	-	4,258.63	-	-	-
At FVTPL								
Financial Derivatives	-	-	-	-	95.24	-	95.24	-
Commodity Derivatives	37.45	37.45	-	-	-	-	-	-

* Excludes Group Company Investment ₹ 301.83 Crore (₹ 306.25 Crore Previous Year) measured at cost (Refer Note No. 2.1)

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

₹ crore

Particulars	As at 31st March 2020		As at 31st March 2019	
	At FVTPL	At FVTOCI	At FVTPL	At FVTOCI
Opening Balance	0.01	81.87	0.01	45.54
Addition during the year	-	-	-	36.33
Sale/Reduction during the year	-	-	-	-
Total Gain/(Loss)	-	-	-	-
Closing Balance	0.01	81.87	0.01	81.87

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

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

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.

Foreign Currency Risk

Foreign Currency Risk is the risk that the Fair Value or Future Cash Flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee.

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

(i) Foreign Currency Exposure

₹ crore

	As at 31st March, 2020				As at 31st March, 2019			
	USD	GBP	BDT	RMB	USD	GBP	EUR	RMB
Trade Payables	553.09	0.29	0.15	7.67	1,435.93	0.44	0.22	0.37
Derivatives								
Forwards & Futures	(725.94)	-	-	(60.18)	(919.50)	-	-	-
Net Exposure	(172.85)	0.29	0.15	(52.51)	516.43	0.44	0.22	0.37

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

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

Interest Rate risk

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

Particulars	₹ crore	
	As at 31st March, 2020	As at 31st March, 2019
Borrowings - Current#	4,672.04	12,948.87
Total	4,672.04	12,948.87

Include ₹ 6.30 crore (₹ 148.31 crore Previous year) as Commercial Paper Discount

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 Group. Credit risk arises from Group's activities in investments, dealing in derivatives and receivables from customers.

The Group 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 Group 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 Group Guarantees, advance payments and factoring & forfaiting without recourse to the Group. The Group restricts its fixed income investments in liquid securities carrying high credit rating.

Liquidity Risk

Liquidity risk arises from the Group's inability to meet its cash flow commitments on the due date. The Group maintains sufficient stock of cash, marketable securities and committed credit facilities. The Group 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 Group's cash flow position and ensures that the Group is able to meet its financial obligation at all times including contingencies.

The Group'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 of Loans and Derivative Financial Liabilities as on 31 March, 2020

₹ crore

Liquidity Risks	Below 3 months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	Grand Total
Borrowings							
Non Current	-	-	-	-	-	-	-
Current#	3,891.24	780.80	-	-	-	-	4,672.04
Total Borrowings	3,891.24	780.80	-	-	-	-	4,672.04
Derivatives Liabilities							
Forwards / Futures	37.45	-	-	-	-	-	37.45
Total	37.45	-	-	-	-	-	37.45

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

Maturity Profile of Loans and Derivative Financial Liabilities as on 31 March, 2019

₹ crore

Liquidity Risks	Below 3 months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	Grand Total
Borrowings							
Non Current	-	-	-	-	-	-	-
Current [#]	12,948.87	-	-	-	-	-	12,948.87
Total Borrowings	12,948.87	-	-	-	-	-	12,948.87
Derivatives Liabilities							
Forwards / Futures	68.91	25.91	0.42	-	-	-	95.24
Total	68.91	25.91	0.42	-	-	-	95.24

Include ₹ 6.30 crore (₹ 148.31 crore Previous year) as Commercial Paper Discount

Hedge Accounting

Commodity risk: The Group is subject to commodity price risks due to fluctuation in prices of underlying Gold and Silver Inventories. The Group uses a combination of Futures and Forward contracts to hedge the physical exposure of commodity positions. The Group has adopted a structured risk management policy to hedge commodity risks within an acceptable risk limit and an approved hedge accounting framework which allows Fair Value hedges. The gain /loss on hedging instruments are aligned and effectively offset with hedge item. Since the hedge instrument and hedge items normally offset and hence it is fully effective. The table below shows the position of hedging instruments and hedged items as on the balance sheet date.

Disclosure of effects of hedge accounting

Fair Value Hedge

Hedging Instrument

₹ crore

Type of Hedge and Risks	Nominal Value	Quantity (in Kgs)	Carrying amount		Changes in FV	Hedge Maturity Date	Line Item in Balance Sheet
			Assets	Liabilities			
Commodity price risk							As on 31st March, 2020
Derivative Contracts	1,569.99	4,987.00	1.50	37.45	(35.95)	May 20 - June 20	Other Financial Asset/ Other Financial liabilities
Commodity price risk							As on 31st March, 2019
Derivative Contracts	771.74	2,981.00	7.60	-	7.60	May 19 - June 19	Other Financial Asset/ Other Financial liabilities

Hedged Items:

₹ crore

Type of Hedge and Risks	Carrying Value		Change in fair value	Line Item in Balance Sheet
	Assets	Liabilities		
Commodity price risk				As on 31st March, 2020
Inventories	1,517.70	-	35.95	Inventories
Commodity price risk				As on 31st March, 2019
Inventories	748.35	-	(7.60)	Inventories

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

33 Related Party Disclosures :

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

Sr. No.	Name of the Related Party		Relationship
1	Reliance Industries Limited	}	Ultimate Holding Company
2	Reliance Retail Ventures Limited	}	Holding Company
3	Viacom 18 Media Private Limited	}	Fellow Subsidiary
4	TV18 Broadcast Limited	}	
5	Rhea Retail Private Limited*	}	
6	Reliance Innovative Building Solutions Private Limited	}	
7	Reliance SMSL Limited	}	
8	Reliance Sibur Elastomers Private Limited	}	
9	Reliance Retail Insurance Broking Limited	}	
10	Reliance Progressive Traders Private Limited	}	
11	Reliance Polyolefins Limited*	}	
12	Reliance Payment Solutions Limited	}	
13	Reliance Lifestyle Holdings Limited *	}	
14	Reliance Jio Messaging Services Limited	}	
15	Reliance Jio Media Limited	}	
16	Reliance Jio Infocomm Limited	}	
17	Reliance Industrial Investments and Holdings Limited	}	
18	Reliance Gas Pipelines Limited	}	
19	Reliance GAS Lifestyle India Private Limited	}	
20	Reliance Eminent Trading & Commercial Private Limited	}	
21	Reliance Corporate IT Park Limited	}	
22	Reliance Commercial Dealers Limited	}	
23	Reliance Brands Limited	}	
24	Network18 Media & Investments Limited	}	
25	Reliance Prolific Traders Private Limited	}	
26	Reliance Prolific Commercial Private Limited	}	
27	Indiawin Sports Private Limited	}	
28	Hathway Cable & Datacom Limited	}	
29	GML India Fashion Private Limited	}	
30	GLF Lifestyle Brand Private Limited	}	
31	Genesis Luxury Fashion Private Limited	}	
32	Genesis La Mode Private Limited	}	
33	Genesis Colors Limited	}	
34	Reliance Projects & Property Management Services Limited * (Formerly Reliance Digital Platform & Project Services Limited)	}	
35	Reliance Retail finance limited	}	
36	e-Eighteen.com limited	}	

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

37	Genesis Colors Limited	}	Fellow Subsidiary
38	Indiavidual Learning Private Limited	}	
39	Indiacast media distribution Private limited	}	
40	Saavn Media Private Limited	}	
41	Shri Kannan Departmental Store Private Limited*	}	
42	Reliance Eminent Trading & Commercial Private Limited	}	
43	Reliance Strategic Investments Limited	}	
44	Reliance Ambit Trade Private Limited	}	
45	Jio Haptik Technologies Limited (Formerly Reliance Jio Digital Services Private Limited)	}	
46	Grab A Grub Services Private Limited *	}	
47	Reliance-Grand Vision India Supply Private Limited	}	Joint Ventures
48	Reliance-Vision Express Private Limited	}	
49	Marks and Spencer Reliance India Private Limited	}	
50	Supreme Tradelinks Private Limited (<i>wholly owned subsidiary of Marks and Spencer Reliance India Private Limited</i>) *	}	
51	Shri V Subramaniam	}	Key Managerial Personnel
52	Shri Ashwin Khasgiwala *	}	
53	Shri Dinesh Thapar*	}	
54	Shri K Sridhar	}	
55	Reliance Retail Limited Employees Gratuity Fund	}	Post Employment Benefit Plan
56	Reliance Retail Limited Employees Provident Fund	}	

*The above entities includes related parties where the relationship existed for 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	Joint Ventures	Key Managerial Personnel	Others	Total
1	Call Money received towards OCPS	-	-	-	-	-	-	-
		-	381.20	-	-	-	-	381.20
2	Net Unsecured Loan Taken/ (Repaid)	-	70.56	-	-	-	-	70.56
		-	-	-	-	-	-	-
3	Net Unsecured Loan Given/ (Repaid)	-	-	1,276.54	-	-	-	1,276.54
		-	-	648.77	-	-	-	648.77
4	Purchase/ subscription of investments	-	-	-	5.00	-	-	5.00
		-	-	-	2.50	-	-	2.50
5	Share Application Money Pending Allotment	-	-	-	-	-	-	-
		-	-	-	2.50	-	-	2.50
6	Deposits taken/ (returned)	-	-	-	-	-	-	-
		-	-	-	0.15	-	-	0.15

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

Sr. No.	Nature of Transactions	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Joint Ventures	Key Managerial Personnel	Others	Total
7	Deposits Given/ (returned)	-	-	381.04	-	-	-	381.04
		0.03	-	300.00	-	-	-	300.03
8	Purchase of Property, Plant and Equipment / Project Materials	-	-	2,573.18	-	-	-	2,573.18
		5.34	-	3,386.38	-	-	-	3,391.72
9	Sale of Property, Plant and Equipment / Project Materials	-	-	1,108.01	-	-	-	1,108.01
		-	-	59.02	-	-	-	59.02
10	Revenue From Operations	88.77	2.27	7,096.52	20.47	-	-	7,208.03
		122.41	1.18	1,470.58	1.79	-	-	1,595.96
11	Other Income	-	-	161.23	-	-	-	161.23
		-	-	60.79	-	-	-	60.79
12	Purchases	14,022.24	35.17	58,188.73	5.42	-	-	72,251.56
		13,123.04	-	45,512.35	2.40	-	-	58,637.79
13	Expenditure							
a)	Finance Cost	7.94	9.33	-	-	-	-	17.27
		-	1.90	-	-	-	-	1.90
b)	Store Running Expenses	0.01	-	678.14	-	-	-	678.15
		-	-	482.13	-	-	-	482.13
c)	Warehousing and Distribution Expenses	-	154.09	1.68	-	-	-	155.77
		-	-	-	-	-	-	-
d)	Building Repairs and Maintenance	-	-	47.55	-	-	-	47.55
		-	-	26.84	-	-	-	26.84
e)	Travelling and Conveyance Expenses	-	-	15.71	-	-	-	15.71
		-	-	-	-	-	-	-
f)	Professional Fees	0.96	-	9.64	-	-	-	10.60
		0.03	-	31.39	-	-	-	31.42
g)	Hire Charges	-	-	4.67	-	-	-	4.67
		-	-	-	-	-	-	-
h)	Sales Promotion and Advertisement Expenses	-	-	1.64	-	-	-	1.64
		-	-	-	-	-	-	-
i)	Brokerage, Discount, Royalty and Commission	-	-	5.96	-	-	-	5.96
		-	-	-	-	-	-	-
j)	Rent	-	-	650.55	-	-	-	650.55
		-	-	430.69	-	-	-	430.69
k)	Electricity Expenses	0.34	-	266.23	-	-	-	266.57
		-	-	190.28	-	-	-	190.28
l)	General Expenses	-	-	145.77	-	-	-	145.77
		-	-	104.24	-	-	-	104.24

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

Sr. No.	Nature of Transactions	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Joint Ventures	Key Managerial Personnel	Others	Total
m)	Employee Benefit Expenses	-	-	-	-	-	116.91	116.91
		-	-	-	-	-	<i>74.17</i>	<i>74.17</i>
n)	Payment to Key Managerial Personnel	-	-	-	-	6.24	-	6.24
		-	-	-	-	<i>4.16</i>	-	<i>4.16</i>

Balance as at 31st March, 2020

14	Share Capital	-	4,987.03	-	-	-	-	4,987.03
		-	<i>4,987.03</i>	-	-	-	-	<i>4,987.03</i>
15	Preference Share Capital	-	999.99	-	-	-	-	999.99
		-	<i>999.99</i>	-	-	-	-	<i>999.99</i>
16	Call Money Received towards OCPS	-	381.20	-	-	-	-	381.20
		-	<i>381.20</i>	-	-	-	-	<i>381.20</i>
17	Deposits Taken	-	-	-	0.04	-	-	0.04
		-	-	-	<i>0.04</i>	-	-	<i>0.04</i>
18	Deposits Given	0.03	-	681.04	-	-	-	681.07
		<i>0.03</i>	-	<i>300.00</i>	-	-	-	<i>300.03</i>
19	Debentures	-	330.00	-	-	-	-	330.00
		-	<i>330.00</i>	-	-	-	-	<i>330.00</i>
20	Investment - Non Current	-	-	-	301.83	-	-	301.83
		-	-	-	<i>306.25</i>	-	-	<i>306.25</i>
21	Loans - Non Current	-	-	2,327.63	-	-	-	2,327.63
		-	-	<i>1,051.09</i>	-	-	-	<i>1,051.09</i>
22	Trade Receivables	26.20	2.07	129.71	19.21	-	-	177.19
		<i>51.17</i>	-	<i>67.44</i>	<i>1.25</i>	-	-	<i>119.86</i>
23	Trade Payables	30.05	2.32	71.45	1.30	-	-	105.12
		<i>266.69</i>	-	<i>25.70</i>	<i>0.45</i>	-	-	<i>292.84</i>
24	Other Current Assets	-	-	6.61	-	-	-	6.61
		-	-	-	-	-	-	-
25	Loan taken	-	70.56	-	-	-	-	70.56
		-	-	-	-	-	-	-
26	Guarantees	-	-	9.63	-	-	-	9.63
		-	-	<i>34.83</i>	-	-	-	<i>34.83</i>
28	Other financial liabilities	-	8.40	-	-	-	-	8.40
		-	-	-	-	-	-	-
29	Other Current liabilities	-	-	0.31	-	-	-	0.31
		-	-	-	-	-	-	-
30	Other Financial Asset	-	-	57.92	-	-	-	57.92
		-	-	<i>46.82</i>	-	-	-	<i>46.82</i>

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

Including Securities Premium

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

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

Sr. No.	Particulars	Relationship	2019-20	2018-19
1	Call Money Towards OCPS			
	Reliance Retail Ventures Limited	Holding Company	-	381.20
2	Net Unsecured Loan Taken/ (Repaid)			
	Reliance Retail Ventures Limited	Holding Company	70.56	-
3	Net Loans & Advances given / (Repaid)			
	Reliance Brands Limited	Fellow Subsidiary	1,184.36	648.77
	Shri Kannan Departmental Store Private Limited*	Fellow Subsidiary	92.18	-
4	Purchase/ subscription of investments			
	Reliance-Vision Express Private Limited	Joint Venture	5.00	2.50
5	Share Application Money Pending Allotment			
	Reliance-Vision Express Private Limited	Joint Venture	-	2.50
6	Deposits taken / (returned)			
	Reliance-Vision Express Private Limited	Joint Venture	-	0.15
7	Deposits given/ (repaid)			
	Reliance Industries Limited	Ultimate Holding Company	-	0.03
	Reliance Corporate IT Park Limited	Fellow Subsidiary	-	300.00
	Reliance Projects & Property Management Services Limited *	Fellow Subsidiary	381.04	-
8	Purchase of Property, Plant and Equipment / Project Materials			
	Reliance Industries Limited	Ultimate Holding Company	-	5.34
	Reliance Corporate IT Park Limited	Fellow Subsidiary	710.55	3,369.42
	Reliance Jio Infocomm Limited	Fellow Subsidiary	1.49	5.67
	Reliance Progressive Traders Private Limited	Fellow Subsidiary	-	0.09
	Genesis Colors Limited	Fellow Subsidiary	-	11.20
	Reliance Brands Limited	Fellow Subsidiary	0.02	-
	Reliance Projects & Property Management Services Limited *	Fellow Subsidiary	1,861.12	-
9	Sale of Property, Plant and Equipment / Project Materials			
	Reliance Industries Limited (P.Y. ₹ 20,827)	Ultimate Holding Company	-	0.00
	Reliance Corporate IT Park Limited	Fellow Subsidiary	-	58.83
	Reliance Brands Limited	Fellow Subsidiary	-	0.01
	Reliance Lifestyle Holdings Limited*	Fellow Subsidiary	-	0.18
	Reliance Projects & Property Management Services Limited *	Fellow Subsidiary	1,108.01	-
	Reliance Eminent Trading & Commercial Private Limited	Fellow Subsidiary	-	0.02
10	Revenue From Operations			
	Reliance Industries Limited	Ultimate Holding Company	88.77	122.41
	Reliance Retail Ventures Limited	Holding Company	2.27	1.18
	Reliance Corporate IT Park Limited	Fellow Subsidiary	2,505.25	130.89
	Reliance Jio Infocomm Limited	Fellow Subsidiary	1,556.06	1,292.25

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

Sr. No.	Particulars	Relationship	2019-20	2018-19
	Reliance Jio Media Limited	Fellow Subsidiary	1.44	2.99
	Indiawin Sports Private Limited	Fellow Subsidiary	1.53	1.12
	Reliance Retail Insurance Broking Limited	Fellow Subsidiary	12.81	9.24
	Reliance Payment Solutions Limited	Fellow Subsidiary	-	0.56
	Reliance Sibur Elastomers Private Limited	Fellow Subsidiary	9.11	27.11
	Reliance Brands Limited	Fellow Subsidiary	34.47	3.83
	Reliance Lifestyle Holdings Limited*	Fellow Subsidiary	-	0.71
	Reliance Gas Pipelines Limited	Fellow Subsidiary	0.11	0.21
	Tv 18 Broadcast Limited	Fellow Subsidiary	0.28	0.56
	Reliance Commercial Dealers Limited	Fellow Subsidiary	-	0.04
	Rhea Retail Private Limited*	Fellow Subsidiary	-	0.34
	Reliance GAS Lifestyle India Private Limited	Fellow Subsidiary	2.32	0.08
	Genesis Luxury Fashion Private Limited	Fellow Subsidiary	1.43	0.07
	GLF Lifestyle Brand Private Limited (C.Y. ₹ 26,589 P.Y. ₹ 12,978)	Fellow Subsidiary	0.00	0.00
	Genesis La Mode Private Limited	Fellow Subsidiary	1.41	0.02
	GML India Fashion Private Limited (C.Y. ₹ 33,888)	Fellow Subsidiary	0.00	0.01
	Network 18 Media & Investments Limited	Fellow Subsidiary	0.02	0.46
	Reliance Progressive Traders Private Limited	Fellow Subsidiary	0.71	0.09
	Viacom 18 Media Private Limited	Fellow Subsidiary	0.12	-
	Reliance Projects & Property Management Services Limited*	Fellow Subsidiary	2,909.70	-
	Reliance Retail finance limited	Fellow Subsidiary	55.41	-
	e-Eighteen.com limited	Fellow Subsidiary	0.11	-
	Genesis Colors Limited	Fellow Subsidiary	0.31	-
	Individual Learning Private Limited	Fellow Subsidiary	1.81	-
	Indiacast media distribution Private limited	Fellow Subsidiary	0.01	-
	Saavn media private limited	Fellow Subsidiary	0.50	-
	Shri Kannan Departmental Store Private Limited*	Fellow Subsidiary	1.46	-
	Reliance Eminent Trading & Commercial Private Limited	Fellow Subsidiary	0.01	-
	Reliance Prolific Traders Private Limited	Fellow Subsidiary	0.07	-
	Jio Haptik Technologies Limited	Fellow Subsidiary	0.05	-
	Marks and Spencer Reliance India Private Limited	Joint Venture	18.99	0.04
	Reliance-Vision Express Private Limited	Joint Venture	1.49	1.75
11	Other Income			
	Reliance Brands Limited	Fellow Subsidiary	160.59	60.79
	Shri Kannan Departmental Store Private Limited*	Fellow Subsidiary	0.64	-

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

Sr. No.	Particulars	Relationship	2019-20	2018-19
12	Purchases			
	Reliance Industries Limited	Ultimate Holding Company	14,022.24	13,123.04
	Reliance Retail Ventures Limited	Holding Company	35.17	-
	Reliance Jio Infocomm Limited	Fellow Subsidiary	58,118.25	45,480.94
	Reliance Brands Limited	Fellow Subsidiary	55.67	13.28
	Reliance Corporate IT Park Limited	Fellow Subsidiary	0.06	15.91
	Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary	-	0.01
	Reliance Lifestyle Holdings Limited*	Fellow Subsidiary	-	0.18
	Reliance Gas Lifestyle India Private Limited	Fellow Subsidiary	6.61	0.51
	Rhea Retail Private Limited*	Fellow Subsidiary	-	1.49
	Genesis Luxury Fashion Private Limited	Fellow Subsidiary	-	0.02
	Genesis Colors Limited	Fellow Subsidiary	0.28	-
	Genesis La Mode Private Limited	Fellow Subsidiary	3.90	-
	Genesis Luxury Fashion Private Limited	Fellow Subsidiary	3.85	-
	Reliance Payment Solutions Limited	Fellow Subsidiary	0.12	-
	Marks and Spencer Reliance India Private Limited	Joint Venture	5.23	2.40
	Reliance-GrandVision India Supply Private Limited	Joint Venture	0.05	-
	Reliance-Vision Express Private Limited	Joint Venture	0.13	-
13	Expenditure			
a)	Interest Cost			
	Reliance Industries Limited	Ultimate Holding Company	7.94	-
	Reliance Retail Ventures Limited	Holding Company	9.33	1.90
b)	Store Running Expenses			
	Reliance Industries Limited	Ultimate Holding Company	0.01	-
	Reliance Corporate IT Park Limited	Fellow Subsidiary	241.26	332.40
	Reliance SMSL Limited	Fellow Subsidiary	149.59	148.48
	Reliance Payment Solutions Limited	Fellow Subsidiary	-	1.25
	Reliance Projects & Property Management Services Limited *	Fellow Subsidiary	286.91	-
	Reliance Jio Infocomm Limited	Fellow Subsidiary	0.38	-
c)	Warehousing and Distribution Expenses			
	Reliance Retail Ventures Limited	Holding Company	154.08	-
	Grab A Grub Services Private Limited*	Fellow Subsidiaries	1.69	-
d)	Building Repairs and Maintenance			
	Reliance Corporate IT Park Limited	Fellow Subsidiary	11.95	26.84
	Reliance Projects & Property Management Services Limited *	Fellow Subsidiary	35.60	-
e)	Travelling and Conveyance Expenses			
	Reliance Commercial Dealers Limited	Fellow Subsidiary	15.71	-

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

Sr. No.	Particulars	Relationship	2019-20	2018-19
f)	Professional Fees			
	Reliance Industries Limited	Ultimate Holding Company	0.96	0.03
	Reliance Projects & Property Management Services Limited *	Fellow Subsidiary	1.73	-
	Reliance Corporate IT Park Limited	Fellow Subsidiary	7.91	31.39
g)	Hire Charges			
	Reliance Corporate IT Park Limited	Fellow Subsidiary	0.91	-
	Reliance Projects & Property Management Services Limited *	Fellow Subsidiary	3.76	-
h)	Sales Promotion and Advertisement Expenses			
	Reliance Brands Limited	Fellow Subsidiary	1.64	-
i)	Brokerage, Discount, Royalty and Commission			
	Reliance Payment Solutions Limited	Fellow Subsidiary	5.96	-
j)	Rent including Lease Rentals			
	Reliance Corporate IT Park Limited	Fellow Subsidiary	261.00	428.76
	Reliance Innovative Building Solutions Private Limited	Fellow Subsidiary	1.93	1.93
	Reliance Projects & Property Management Services Limited *	Fellow Subsidiary	387.62	-
k)	Electricity Expenses			
	Reliance Industries Limited	Ultimate Holding Company	0.34	-
	Reliance Corporate IT Park Limited	Fellow Subsidiary	108.78	189.95
	Reliance Progressive Traders Private Limited	Fellow Subsidiary	0.30	0.33
	Reliance Projects & Property Management Services Limited *	Fellow Subsidiary	157.15	-
	Hathway Cable & Datacom Ltd (C.Y. ₹ 2,655)	Fellow Subsidiary	-	-
l)	General Expenses			
	Reliance Jio Infocomm Limited	Fellow Subsidiary	29.72	15.95
	Reliance Payment Solutions Limited	Fellow Subsidiary	0.20	-
	Reliance Corporate IT Park Limited	Fellow Subsidiary	47.17	88.28
	Reliance Projects & Property Management Services Limited *	Fellow Subsidiary	68.67	-
	Hathway Cable & Datacom Limited	Fellow Subsidiary	0.01	0.01
m)	Employee Benefit Expenses			
	Reliance Retail Limited Employees Gratuity Fund	Others	24.79	9.25
	Reliance Retail Limited Employees Provident Fund	Others	92.12	64.92
n)	Payment to Key Managerial Personnel			
	Shri V Subramaniam	Key Managerial Personnel	4.34	3.14
	Shri Ashwin Khasgiwala*	Key Managerial Personnel	0.17	0.90
	Shri K Sridhar	Key Managerial Personnel	0.29	0.12
	Shri Dinesh Thapar*	Key Managerial Personnel	1.44	-

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

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

33.1 Compensation of Key Managerial Personnel	2019-20	2018-19
i) Short-Term Benefits	6.02	3.99
ii) Post Employment Benefits	0.22	0.17
Total	6.24	4.16

34 The figures of the corresponding year has been regrouped /reclassified wherever necessary, to make them comparable.

35 The Consolidated Financial statements were approved for issue by the Board of Directors on 28th April, 2020.

36 Segment Information

The Group is engaged in 'Organised Retail' primarily catering to Indian consumers in various consumption baskets and 'Petro Retail'. All the activities of the Group revolve around these main businesses. Accordingly, the Group has two 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.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Group with following additional policies for segment reporting.

- Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Certain Assets and Liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

(i) Primary Segment Information

₹ crore

	Particulars	Organised Retail		Petro Retail		Unallocated		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1	Segment Revenue								
	External Turnover	1,46,750.54	1,15,838.78	14,214.62	13,302.96	-	-	1,60,965.16	1,29,141.74
	Inter Segment Turnover	-	-	-	-	-	-	-	-
	Value of Sales and Services	1,46,750.54	1,15,838.78	14,214.62	13,302.96	-	-	1,60,965.16	1,29,141.74
	Less: GST Recovered	16,359.47	13,859.39	88.34	93.37	-	-	16,447.81	13,952.76
	Revenue from Operations (Net of GST)	1,30,391.07	1,01,979.39	14,126.28	13,209.59	-	-	1,44,517.35	1,15,188.98
2	Segment Result before Interest and Taxes	8,081.07	5,385.12	124.17	123.95	2.75	4.42	8,207.99	5,513.49
	Less: Interest Expense	868.32	609.84	-	-	-	1.86	868.32	611.70
	Add: Interest Income	176.83	70.78	0.11	0.94	10.57	6.16	187.51	77.88
	Profit Before Tax	7,389.58	4,846.06	124.28	124.89	13.32	8.72	7,527.18	4,979.67
	Current Tax	1,001.27	1,037.29	32.47	44.46	-	-	1,033.74	1,081.75
	Tax expense of earlier year	(2.94)	-	-	-	-	-	-2.94	-
	Deferred Tax	885.35	643.22	(3.41)	0.29	-	-	881.94	643.51
	Profit after Tax	5,505.90	3,165.55	95.22	80.14	13.32	8.72	5,614.44	3,254.41
3	Other Information								
	Segment Assets	35,193.05	31,124.16	654.15	729.32	465.95	3,334.33	36,313.15	35,187.81
	Segment Liabilities	35,425.52	31,239.91	887.63	945.01	-	3,002.89	36,313.15	35,187.81
	Capital Expenditure	6,165.29	4,667.45	12.70	5.43	-	-	6,177.99	4,672.88
	Depreciation /Amortisation Expense	1,113.16	603.56	9.26	8.49	-	-	1,122.42	612.05

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

- (ii) Inter segment pricing are at Arm's length basis.
- (iii) As per Indian Accounting Standard 108 - Operating Segments, the Company has reported segment information on consolidated basis including businesses conducted through its subsidiaries.
- (iv) The reportable Segments are further described below :
- The Organised Retail segment represents trading in goods/ services in various consumption baskets.
 - The Petro Retail segment represents trading in Petroleum products.

		₹ crore	
(v) Secondary Segment Information			
1 Segment Revenue – External Turnover		2019-20	2018-19
Within India		1,60,965.16	1,29,141.74
Outside India		-	-
Total		1,60,965.16	1,29,141.74
2 Non-Current Assets			
Within India		20,145.37	13,239.72
Outside India		0.07	0.13
Total		20,145.44	13,239.85

37 Additional Information, as required under Schedule III to The Companies Act, 2013. of Enterprises Consolidated as Subsidiary / Joint Ventures.

Name of Enterprises	Net Assets ie Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount ₹ crore	As % of Consolidated Profit or Loss	Amount ₹ crore	As % of Consolidated Profit or Loss	Amount ₹ crore	As % of Consolidated Profit or Loss	Amount ₹ crore
Parent								
Reliance Retail Limited	99.15	18,115.18	98.67	5,539.79	583.53	(12.90)	98.48	5,526.89
Subsidiaries								
1. Reliance Petro Marketing Limited	1.74	318.07	1.74	97.85	(458.82)	10.14	1.92	107.99
2. Reliance-GrandOptical Private Limited	0.00	0.01	(0.00)	(0.00)	-	-	(0.00)	(0.00)
3. Reliance Clothing India Private Limited	(0.29)	(53.18)	(0.24)	(13.75)	0.38	(0.01)	(0.25)	(13.76)
Joint Ventures (Investment as per the Equity Method)								
1. Marks and Spencer Reliance India Private Limited	1.05	191.21	(0.05)	(2.90)	(100.04)	2.21	(0.01)	(0.69)
2. Reliance-GrandVision India Supply Private Limited	0.03	5.16	(0.01)	(0.28)	-	-	(0.01)	(0.28)
3. Reliance-Vision Express Private Limited	0.02	4.02	(0.15)	(8.35)	6.74	(0.15)	(0.15)	(8.50)

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

Annexure A
Salient Features of Financial Statements of Subsidiary/Joint Ventures as per Companies Act, 2013
Part "A" : Subsidiaries

Sr. No.	Name of Subsidiary Company	Reporting Currency	Equity Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Revenue from Operations/ Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Other Comprehensive Income	Total Comprehensive Income	Proposed Dividend	% of Share-holding
1	Reliance Petro Marketing Limited	INR	0.05	318.02	887.67	569.60	233.13	14,126.29	126.92	29.07	97.85	10.14	107.99	0.00	100%
2	Reliance-GrandOptical Private Limited	INR	0.05	(0.04)	0.02	0.01	-	0.00	(0.00)	-	(0.00)	-	(0.00)	0.00	100%
3	Reliance Clothing India Private Limited	INR	0.05	(53.23)	51.55	104.73	-	29.58	(13.75)	-	(13.75)	(0.01)	(13.76)	0.00	100%

The above statement also indicates performance and financial position of each of the Subsidiaries.

Part "B" : Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act , 2013 related to Joint Ventures

Sr. No.	Name of Joint Venture Company	Latest Audited Balance Sheet Date	Shares of Joint Ventures held by the company on the year end		Network attributable to Shareholding as per latest Audited Balance Sheet (₹ crore)	Profit / Loss for the year		Description of how there is significant influence	Reason why the Joint Venture is not consolidated
			No. *	Extent of Holding %		Considered in Consolidation (₹ crore)	Not Considered in Consolidation (₹ crore)		
1	Reliance-Vision Express Private Limited	31.03.2020	9,70,00,000	50%	4.02	(8.50)	-	-	-
2	Reliance-Grand Vision India Supply Private Limited	31.03.2020	1,35,00,000	50%	5.16	(0.28)	-	-	-
3	Marks and Spencer Reliance India Private Limited	31.03.2020	10,32,59,268	49%	191.21	(0.69)	-	-	-

Note: Reliance Petro Marketing Limited and Reliance Clothing India Private Limited are subsidiaries of the Company w.e.f March 31, 2009 and September 26, 2013, respectively. The other companies became subsidiaries/ joint ventures of the Company w.e.f July 1, 2013.

* Refer note 2 for no of Shares

As per our Report of even date

For **D T S & Associates LLP**
Chartered Accountants
(Firm Registration No. 142412W/W100595)

For and on behalf of the Board

V. Subramaniam Pankaj Pawar
Whole-Time Director Director

Saurabh Pamecha
Partner
Membership No. 126551

Geeta Fulwadaya
Director

Mumbai
Dated: 28th April, 2020

Ranjit V. Pandit
Director

Dinesh Thapar
Chief Financial Officer

K. Sridhar
Company Secretary

