

Reliance Retail and Fashion Lifestyle Limited

Financial Statements

2020-21

INDEPENDENT AUDITOR'S REPORT

To The Members of Reliance Retail and Fashion Lifestyle Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Reliance Retail and Fashion Lifestyle Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the period from 11 August 2020 to 31 March 2021, 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 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 31 March 2021, and its loss, total comprehensive loss, its cash flows and the changes in equity for the period from 11 August 2020 and ended on that date.

Basis for Opinion

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

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

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by 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 Statement of Cash Flows 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 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with 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, no remuneration was paid by the Company to its directors during the period from 11 August 2020 to 31 March 2021, and thus section 197 of the Act related to the managerial remuneration is not applicable.

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 does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

KETAN VORA
Partner
(Membership No. 100459)
(UDIN: 21100459AAAAJU2416)

Place: Mumbai
Date: 29 April 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Reliance Retail and Fashion Lifestyle Limited ("the Company") as of 31st March, 2021 in conjunction with our audit of the financial statements of the Company for the period beginning from 11 August 2020 and 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. 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 respective 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 of the Company 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, 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 **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

KETAN VORA
Partner
(Membership No. 100459)
(UDIN: 21100459AAAAJU2416)

Place: Mumbai
Date: 29 April 2021

"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)

- i. The Company does not have any property, plant and equipment and hence reporting under clause 3(i) of the Order is not applicable.
- ii. The Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable.
- 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 Companies Act, 2013.
- iv. The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause 3(iv) of the Order is not applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits under the provisions of section 73 to 76 during the year. Hence reporting under clause 3(v) of the Order is not applicable.
- vi. Having regard to the nature of company's business/activities, reporting under clause 3(vi) of the Order is not applicable.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - a. The Company's operations did not give rise to liability for any statutory dues, including Provident Fund, Employees' State Insurance, Goods and Service tax, Cess, Custom duty and accordingly, there were no undisputed amounts payable in respect of any statutory dues including Income Tax in arrears as at 31st March, 2021 for a period of more than six months from the date they became payable.
 - b. There are no dues of Income Tax and Goods and Services Tax as on 31st March 2021 on account of disputes.
- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3(viii) of the Order is not applicable to the Company.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not paid any managerial remuneration in accordance with the provisions

of section 197 read with Schedule V to the Companies Act, 2013 and hence reporting under clause 3(xi) of the Order is not applicable.

- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements 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 3(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 Companies Act, 2013 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 **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

KETAN VORA
Partner
(Membership No. 100459)
(UDIN: 21100459AAAAJU2416)

Place: Mumbai
Date: 29 April 2021

Reliance Retail and Fashion Lifestyle Limited
Balance Sheet as at 31st March, 2021

	Notes	Amount in ₹ As at 31st March, 2021
ASSETS		
Current assets		
Financial Assets		
Cash and Cash Equivalents	1	69,113
Total Current Assets		<u>69,113</u>
Total Assets		<u><u>69,113</u></u>
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	2	1,00,000
Other Equity	3	(80,887)
Total Equity		<u>19,113</u>
Liabilities		
Current Liabilities		
Financial Liabilities		
Trade Payables Due to :		
Micro and Small Enterprise		-
Other than Micro and Small Enterprise	4	50,000
Total Current Liabilities		<u>50,000</u>
Total Liabilities		<u>50,000</u>
Total Equity and Liabilities		<u><u>69,113</u></u>
Significant Accounting Policies		
See accompanying Notes to the Financial Statements	1 to 14	

As per our Report of even date

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

Ketan Vora
Partner
Membership No. 100459

Dated : 29th April, 2021

For and on behalf of the Board

V. Subramaniam
Director

Dinesh Thapar
Director

Reliance Retail and Fashion Lifestyle Limited
Statement of Profit and Loss for the period from 11th August 2020 to 31st March 2021

	Notes	Amount in ₹ For the period from 11th August 2020 to 31st March 2021
INCOME		
Revenue from Operations		-
Total Income		<u>-</u>
EXPENSES		
Other Expenses	5	80,887
Total Expenses		<u>80,887</u>
(Loss) before Tax		(80,887)
Tax Expenses		-
(Loss) for the period		(80,887)
Other Comprehensive Income		
Items that will not be reclassified to Profit or Loss		-
Total Comprehensive Loss for the period		<u><u>(80,887)</u></u>
Earnings per Equity Share of face value of ₹ 10 each		
Basic and Diluted (in ₹)		(8.09)
Significant Accounting Policies See accompanying Notes to the Financial Statements	1 to 14	

As per our Report of even date

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

Ketan Vora
Partner
Membership No. 100459

Dated : 29th April, 2021

For and on behalf of the Board

V. Subramaniam
Director

Dinesh Thapar
Director

Reliance Retail and Fashion Lifestyle Limited
Cash Flow Statement for the period from 11th August 2020 to 31 March 2021

Amount in ₹
**For the period
from 11th
August 2020 to
31st March 2021**

A: CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit / (Loss) before tax as per Statement of Profit and Loss	(80,887)
Operating Profit before Working Capital Changes	<u>(80,887)</u>
Adjusted for:	
Trade and Other Payables	50,000
	<u>50,000</u>
Cash Generated from Operations	<u>(30,887)</u>
Taxes Paid (Net)	-
Net Cash Flow from Operating Activities	<u>(30,887)</u>
B: CASH FLOW FROM INVESTING ACTIVITIES	
Purchases of Property, Plant and Equipment and Intangible Assets	-
Interest Income	-
Net Cash Flow (used in) Investing Activities	<u>-</u>
C: CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from Issue of Shares	1,00,000
Net Cash Flow From / (Used in) Financing Activities	<u>1,00,000</u>
Net Increase in Cash and Cash Equivalents	69,113
Opening Balance of Cash and Cash Equivalents	-
Closing Balance of Cash and Cash Equivalents (Refer Note "1")	<u><u>69,113</u></u>

As per our Report of even date

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

Ketan Vora
Partner
Membership No. 100459

Dated : 29th April, 2021

For and on behalf of the Board

V. Subramaniam
Director

Dinesh Thapar
Director

A. Corporate Information

Reliance Retail and Fashion Lifestyle Limited is a limited company incorporated in India as on 11 August 2020, having its registered office at 4th Floor, Court House, Lokmanya Tilak Marg, Dhobi Talao, Mumbai 400 002, India. The Company's holding Company is Reliance Retail Ventures Limited. The Company is yet to commence operation and will be engaged in organised retail.

B. Significant Accounting Policies

B.1 Basis of Preparation and Presentation

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

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

The Company's Financial Statements are presented in Indian Rupees (₹), which is also its functional currency.

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) 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.

(c) 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.

(d) Tax Expenses

The tax expense 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 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.

(e) 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.

(f) Financial Instruments

i) Financial Assets

A. Initial Recognition and Measurement

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

B. Subsequent Measurement

a) Financial Assets Measured at Amortised Cost (AC)

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

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

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

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

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

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

C. Other Equity Investments

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

D. Impairment of Financial Assets

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

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.

(h) Earnings per share

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

C. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

a) 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.

Reliance Retail and Fashion Lifestyle Limited**Notes to the Financial Statements for the period from 11th August 2020 to 31 March 2021**

	Amount in ₹
	As at
	31st March, 2021
1 Cash and Cash Equivalents	
Cash on Hand	-
Balances with Banks	69,113
Total	<u>69,113</u>

Reliance Retail and Fashion Lifestyle Limited

Notes to the Financial Statements for the period from 11th August 2020 to 31 March 2021

2 Share capital	Amount in ₹ As at 31st March, 2021
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Authorised Share Capital

10,00,000	Equity shares of ₹ 10 each	1,00,00,000
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Total		<u>1,00,00,000</u>
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Issued, Subscribed and Paid up:

10,000	Equity shares of ₹ 10 each fully paid up	1,00,000
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Total		<u>1,00,000</u>
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(i) Out of above, 10,000 equity shares of ₹ 10 each fully paid-up are held by Reliance Retail Ventures Limited, the holding company along with its nominees.

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

Name of the Shareholder

As at 31st March, 2021
% held
100

Reliance Retail Ventures Limited

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

Particulars

As at 31st March, 2021
No. of shares

Equity shares at the beginning of the year

-

Add: Equity shares issued during the year

10,000

Equity shares at the end of the year

10,000

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

Reliance Retail and Fashion Lifestyle Limited**Notes to the Financial Statements for the period from 11th August 2020 to 31 March 2021**

Amount in ₹

3 Other Equity**As at
31st March, 2021****Retained Earnings**

As per last Balance Sheet

-

Add: Profit/(Loss) for the year

(80,887)(80,887)**Other Comprehensive Income (OCI)**

As per last Balance Sheet

-

Add: Movement in OCI (Net) during the year

-

-

Total(80,887)

4 Trade Payables Due to	Amount in ₹ As at 31st March, 2021
Micro and Small Enterprises	-
Others	50,000
Total	<u>50,000</u>

Reliance Retail and Fashion Lifestyle Limited

Notes to the Financial Statements for the period from 11th August 2020 to 31 March 2021

5 Other Expenses

Amount in ₹
For the period from
11th August 2020 to
31st March 2021

Establishment expenses

Rates and taxes

30,650

General expenses

237

30,887

Payments to auditor

Statutory Audit fees

50,000

50,000

Total 80,887

Reliance Retail and Fashion Lifestyle Limited

Notes to the Financial Statements for the period from 11th August 2020 to 31 March 2021

6 The Company has entered into a Composite Scheme of Arrangement with Future Enterprises Limited (FEL) for transfer of Retail and Wholesale business of FEL as a going concern on a slump sale basis to the Company. The scheme has been discussed and approved by the Board of Directors at its meeting held on August 29, 2020 and is at various stage of approval from the regulatory authorities. Based on the above the Company's financials have been prepared under Going Concern assumption.

7 Earnings per share (EPS)

11th August 2020 to 31st March 2021

Face Value per Equity Share (₹)	10.00
Basic / Diluted Earnings per Share (₹)	(8.09)
Net profit/ (loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	(80,887)
Weighted average number of equity shares used as denominator for calculating Basic / Diluted EPS	10,000

8 There are no employees during the year therefore Ind AS 19 "Employee Benefits", is not applicable to the company.

Reliance Retail and Fashion Lifestyle Limited

Notes to the Financial Statements for the period from 11th August 2020 to 31 March 2021

9 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 Parties	Relationship
1	Reliance Retail Ventures Limited	} Holding Company

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

Sr No	Nature of transactions	Holding Company	Amount in ₹ Total
Balance as at 31st March, 2021			
1	Equity Share capital	1,00,000	1,00,000

Reliance Retail and Fashion Lifestyle Limited
Notes to the Financial Statements for the period from 11th August 2020 to 31 March 2021

10 Capital Management

The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders. The company manages its capital structure and make adjustment in light of changes in business conditon.

11 Financial Instruments

Valuation Methodology

All financial instruments are initially recognized and subsequently re-measured at fair value.

Fair value measurement hierarchy:

Particulars	As at 31st March, 2021			Amount in ₹
	Carrying Amount	Level of input used in		
		Level 1	Level 2	
Financial Assets				
At Amortised Cost				
Trade Receivables	-	-	-	
Cash and Cash Equivalents	69 113	-	-	
Financial Liabilities				
At Amortised Cost				
Trade Payables	50 000	-	-	

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

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

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

- 12** Management has performed the assessment of the effect of COVID -19 as at the end of the year on the liquidity position as well as business activities in the foreseeable future. There is no impact of COVID – 19 on the business operations for the Company for the current period from 11th August 2020 to 31 March 2020.
- 13** This is the first set of financial statements for the period starting from the date of incorporation of the Company i.e. 11 August 2020 to 31 March 2021. Hence the reporting of the comparatives in the financial statements is not applicable.
- 14** The Financial Statements were approved for issue by the Board of Directors on 29th April, 2021.

As per our Report of even date

For and on behalf of the Board

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

V. Subramaniam
Director

Ketan Vora
Partner
Membership No. 100459

Dinesh Thapar
Director

Dated : 29th April, 2021