

# RKN RETAIL PRIVATE LIMITED

November 14, 2018

## BSE Limited

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.

**Sub.: Unaudited Financial Results of RKN Retail Private Limited ("Company") as on September 30, 2018**

- Ref.: 1. Regulation 52 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations");**  
**2. Scrip Codes: Debt - 955847, 956108**

Dear Sir/ Madam,

Kindly note that the Board of Directors of the Company has, in its meeting held today i.e. on Wednesday, November 14, 2018, *inter alia* considered and approved the Unaudited Financial Results of the Company for the half year ended on September 30, 2018 for the Financial Year 2018-19 ("Unaudited Financial Results").

Further, in terms of the applicable provisions of SEBI Listing Regulations, please find enclosed herewith:

- a) the Unaudited Financial Results;
- b) Limited Review Report dated November 14, 2018, issued by the Statutory Auditors of the Company with respect to the Unaudited Financial Results and taken on record by the Board of Directors of the Company; and
- c) Certificate issued by Axis Trustee Services Limited, Debenture Trustees to the Non-convertible Debentures issued by the Company.

The above is for your information and record.

Thanking you,

Yours faithfully,  
For RKN Retail Private Limited



**Abhishek Shah**  
Manager



Encl.: As above

**RKN Retail Private Limited**

Regd. Office: 5<sup>th</sup> & 6<sup>th</sup> Floor, Skyline Icon, Near Mittal Industrial Estate, 86/92, Andheri Kurla Road, Andheri East, Mumbai, Maharashtra- 400059  
CIN - U52100MH2012PTC238167

**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018**

(₹ in Cr)

Sr. No.	Particulars	Six months ended September 30, 2018 (Unaudited)	Six months ended September 30, 2017 (Unaudited)	Year to date figures for period ended September 30, 2018 (Unaudited)	For the year ended March 31, 2018 (Audited)
I	Revenue from Operations	-	47.4	-	98.3
II	Other income	1.2	82.3	1.2	184.9
III	<b>Total Income (I+II)</b>	<b>1.2</b>	<b>129.7</b>	<b>1.2</b>	<b>283.2</b>
IV	<b>Expenses</b>				
	(a) Cost of materials consumed	-	37.4	-	78.5
	(b) Cost of sales	-	9.6	-	18.9
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	113.9	67.7	224.2
	(d) Finance Cost	67.7	0.3	0.4	0.6
	(e) Other Expenses	0.4	-	-	-
	<b>Total Expenses</b>	<b>68.1</b>	<b>161.2</b>	<b>68.1</b>	<b>322.2</b>
V	<b>Profit/(loss) before Exceptional Items and Tax (III - IV)</b>	<b>(67.0)</b>	<b>(31.5)</b>	<b>(67.0)</b>	<b>(39.0)</b>
VI	Exceptional Items: Provision for diminution in the value of Investment (Refer Note 7)	2,573.3	-	2,573.3	-
VII	<b>Profit/(loss) before Tax (V - VI)</b>	<b>(2,640.3)</b>	<b>(31.5)</b>	<b>(2,640.3)</b>	<b>(39.0)</b>
VIII	<b>Tax expense:</b>				
	(a) Current Tax	-	-	-	-
	(b) Deferred Tax	-	-	-	-
IX	<b>Profit/(Loss) after Tax (VII - VIII)</b>	<b>(2,640.3)</b>	<b>(31.5)</b>	<b>(2,640.3)</b>	<b>(39.0)</b>
X	Other Comprehensive Income	-	-	-	-
XI	<b>Total comprehensive income (IX + X)</b>	<b>(2,640.3)</b>	<b>(31.5)</b>	<b>(2,640.3)</b>	<b>(39.0)</b>
XII	Paid-up Equity Share Capital	0.5	0.5	0.5	0.5
XIII	<b>Earnings per equity share:</b>				
	(a) Basic (in ₹)	(52,805.8)	(630.8)	(52,805.8)	(780.2)
	(b) Diluted (in ₹)	(52,805.8)	(630.8)	(52,805.8)	(780.2)

**Notes to the Financial Results:**

1 Statement of Assets and Liabilities

Particulars		(₹ in Cr)	
		As at September 30, 2018 (Unaudited)	As at March 31, 2018 (Audited)
<b>A</b>	<b>ASSETS</b>		
<b>I</b>	<b>Non-current assets</b>		
	(a) Financial Assets		
	(i) Investment in Subsidiary	-	2,573.3
	(i) Other Investments	-	-
	(ii) Loans	0.0	0.0
	(b) Current Tax Assets (net)	18.8	22.0
	<b>Sub-total non current assets</b>	<b>18.8</b>	<b>2,595.3</b>
<b>II</b>	<b>Current Assets</b>		
	(a) Inventories	-	-
	(b) Financial Assets		
	(i) Trade receivables	-	-
	(ii) Cash and cash equivalents	91.0	11.3
	(iii) Others	0.6	76.8
	(c) Other current assets	1.4	2.1
	<b>Sub-total current assets</b>	<b>93.0</b>	<b>90.2</b>
	<b>TOTAL ASSETS</b>	<b>111.8</b>	<b>2,685.5</b>



1 (contd.)

B EQUITY AND LIABILITIES			
I	Equity		
	(i) Equity share capital	0.5	0.5
	(ii) Other equity	(1,377.9)	754.1
	<b>Total equity</b>	<b>(1,377.4)</b>	<b>754.6</b>
II	Non current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	1,293.5	1,805.6
	<b>Sub-total Non current liabilities</b>	<b>1,293.5</b>	<b>1,805.6</b>
III	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	-	-
	(ii) Trade payables	0.2	0.2
	(iii) Other financial Liabilities	194.9	124.0
	(b) Other current liabilities	0.5	1.1
	<b>Sub-total Current liabilities</b>	<b>195.6</b>	<b>125.3</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>111.8</b>	<b>2,685.5</b>

2 The above financial results, as reviewed and recommended by the Audit Committee, have been approved by the Board of Directors at its meeting held on November 14, 2018

3 The above financial results have been prepared in accordance with Indian Accounting Standards ("Ind AS") - 34 "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, the Companies (Indian Accounting Standards) Amendment Rules, 2016 and the other relevant provisions of the Act and Rules thereunder. The financial Statements for the year ended March 31, 2018, were the first Financial Statements under Ind AS. The date of transition to Ind AS was April 1, 2016.

4 The Limited review as required under Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") has been completed by the Statutory Auditors of the Company and the related report is being submitted to the concerned Stock Exchange(s).

5 During the Financial Year 2012-13, the Company had allotted 9,66,30,000, 1% Optionally Convertible Bonds ("OCBs") of ₹ 100/- each fully paid up and during the Financial Year 2013-14, the Company had subscribed to 18,76,54,743 OCBs of ₹ 100/- each fully paid up. Due date for redemption of all above OCBs was April 30, 2018 and the OCBs were due to be redeemed at such premium as mutually agreed upon between the Issuer & the bond holder.

In terms of the provisions of Ind-AS 109 "Financial Instruments", as on September 30, 2017, the above OCBs (including premium on redemption of OCBs) were required to be stated at the Fair Value. However, since the maturity date of the above OCBs was close to the interim reporting period i.e. September 30, 2017, the Management had decided to exercise the fair valuation at the end of the Financial Year i.e. as on March 31, 2018. Accordingly, the reporting as on September 30, 2017 was done in terms of the provisions of Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Previous GAAP").

Thereafter, the Fair Valuation was carried out as on March 31, 2018 and its effect was considered in the reporting for the Financial Year ending on March 31, 2018. Accordingly, the relevant figures as on September 30, 2017 have now been restated in terms with the provisions of Ind AS, wherever necessary, to give a true and fair view of the results of the comparable period.

6 The Company's accumulated losses are in excess of its paid up capital and reserves and surplus. The Company is operationally and financially fully supported by its promoter companies. In view of the promoter's commitment to the business by providing for necessary funds as and when need arises, the financial results have been prepared on a going concern basis.

7 As of April 1, 2018, the Company had long term unquoted investment of ₹ 2,573.33 Cr (including deemed investment of ₹ 601.11 Cr) in 1,97,22,22,430 fully paid up Equity Shares of ₹ 10 each of Aditya Birla Retail Limited ("ABRL") ("said shareholding").

The Board of Directors of the Company, at its meeting held on September 19, 2018, approved the sale of the said Shareholding in ABRL to Witzig Advisory Services Private Limited ("Witzig") and in terms of the said approval of the Board, the Company has, on September 19, 2018, jointly with Kanishtha Finance and Investment Private Limited and ABRL, entered into a Share Purchase Agreement with Witzig ("said SPA"). The sale of said shareholding would be subject to the terms of the said SPA and regulatory approvals and consents, as may be necessary.

In view of the above and since ABRL's accumulated losses were in excess of its paid up capital and reserves, the Management of the Company considers that the value of the said shareholding in ABRL amounting to ₹ 2,573.33 Cr has been fully impaired and accordingly, has provided for diminution in the value of investments in these financial results.

8 Paid up Debt Capital represents Redeemable Non-Convertible Debentures ("NCDs") and Optionally Convertible Bonds issued to Group Company.

9 The Company had issued 575, Zero per cent Coupon rate Redeemable NCDs of ₹ 1,00,00,000 each through private placement mode to certain category of investors during the financial year 2016-17. Further, Company had issued 675, Zero per cent Coupon rate Redeemable NCDs of ₹ 1,00,00,000 each through private placement mode to certain category of investors during the financial year 2017-18. The NCDs shall be redeemed in full alongwith the redemption premium on the redemption date April 30, 2020.

In absence of profits during the period, the Company is not required to transfer any amount to the Debenture Redemption Reserve as per the provisions of Section 71 of the Act, 2013.

10 Additional disclosures as per Regulation 52(4) of the SEBI Listing Regulations:

Particulars	As at September 30, 2018	As at September 30, 2017	As at March 31, 2018
Debt Equity Ratio (times)	2,587.0	4,316.1	3,611.2
Debt Service Coverage Ratio (times)	0.01	0.72	0.83
Interest Service Coverage Ratio (times)	0.01	0.72	0.83
Debenture Redemption Reserve	-	-	-
Net Worth (₹ in Cr)	(1,377.4)	363.8	754.6
Net Profit/ (Loss) for the period after tax (₹ in Cr)	(2,640.3)	(31.5)	(39.0)



10 (Contd.)

(a) **Credit Rating and change in Credit Rating (if any):** The Credit Rating by India Rating & Research for the NCDs continues to be "IND A-Stable".

(b) **Asset cover available:** The NCDs of the Company are unsecured.

(c) **Previous date of the payment of interest/ repayment of principal and whether the same has been paid or not**

Name of the Instrument	Payment Status
575, Zero Coupon Unsecured Redeemable Non-convertible Debentures of ₹ 1,00,00,000 each	NA
675, Zero Coupon Unsecured Redeemable Non-convertible Debentures of ₹ 1,00,00,000 each	NA

(d) **Next due date for the interest / principal amount\*:**

Name of the Instrument	Next Due Date
575, Zero Coupon Unsecured Redeemable Non-convertible Debentures of ₹ 1,00,00,000 each	April 30, 2020
675, Zero Coupon Unsecured Redeemable Non-convertible Debentures of ₹ 1,00,00,000 each	April 30, 2020

\*Should the interest/ payment details fall on a Sunday or a public holiday or is not a Business day, the next day (working day/ Business day) shall be considered as effective date.

11 Provision for taxation has been made based on normal provisions of the Income Tax Act, 1961.

12 Previous periods' figures have been regrouped/ rearranged wherever necessary to conform to the current period's classification(s).

RKN Retail Private Limited

*Rameshwarup Jalan*

R. S. Jalan  
Director

Place : Mumbai  
Date: November 14, 2018





**LIMITED REVIEW REPORT**



**TO THE BOARD OF DIRECTORS OF**  
**RKN RETAIL PRIVATE LIMITED**

1. We have reviewed the accompanying Standalone Statement of Unaudited Financial Results of **RKN RETAIL PRIVATE LIMITED** ("the Company") for the half year ended 30<sup>th</sup> September, 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular Number CIR/CFD/FAC/15/2015 dated November 30, 2015 and Circular Number CIR/CFD/FAC/62/2016 dated July 05, 2016. Attention is drawn to Note No. 5 to the statement that, As per Ind-AS 109 "Financial Instruments", The OCBs (Including premium on redemption of OCBs.) required to be stated at their Fair Value. However effect of the Fair Valuation was not considered for the purpose of reporting of standalone financial result by the Company for the half year ended 30<sup>th</sup> September, 2017, and the same was reported in the limited review report issued by us for relevant period. Subsequently, the Fair Valuation was carried out as on March 31, 2018 and effect thereof was duly considered in the reporting of financial results for the Financial Year ending on March 31, 2018. Accordingly, the relevant figures as on September 30, 2017 have now been restated to comply with the provisions of Ind AS by the Company. Such Restatement has been approved by Board of Directors of the Company; however *we state that while issuing limited review report for the Half year ended 30<sup>th</sup> September 2018, the same is not reviewed by us.* This statement is the responsibility of the Company's Management and Approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our audit of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by ICAI. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited primarily to inquire of Company personnel and analytical procedures, applied to financial data and this provides less assurance than audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above and subject to the possible effect of the matters described in above paragraphs, nothing has come to our attention that causes us to believe that the accompanying statements of unaudited Financial result prepared in accordance with the applicable accounting standards, as notified under section 133 of the Companies Act, 2013 read with the Rule 7 of Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with circular Number CIR/CFD/FAC/15/2015 dated November 30, 2015 and Circular Number CIR/CFD/FAC/62/2016



dated July 05, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatements.

For S. S. RATHI & CO.  
Chartered Accountants  
FRN:-108726W

(Keyur P Parekh)

Partner

Membership No. 154489

Place: Mumbai

Date: November 14, 2018



ATSL/CO/18-19/6254  
November 14, 2018

**RKN RETAIL PRIVATE LIMITED**  
5<sup>th</sup> And 6<sup>th</sup> Floor, Skyline Icon,  
Near Mittal Estate, 86/92,  
Andheri Kurla Road,  
Andheri East, Mumbai – 400 059.

Kind Attn: Ms. Neha Jalan, Company Secretary

**Sub.: Letter of Debenture Trustee pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")**

Dear Madam,

We write in our capacity as the Debenture Trustee for the Non-Convertible Debentures (NCDs) issued by RKN Retail Private Limited ("Company") and listed on the BSE Limited ("Listed Debt Securities").

Pursuant to Regulation 52(4) read with Regulation 52(5) of the SEBI (Listing Obligations and Disclosure Requirements) 2015, the Company is required to submit its half yearly/ annual financial results to the Stock Exchange, with a letter of the Debenture Trustee (Axis Trustee Services Limited) that the Debenture Trustee has noted the contents furnished by the Company in terms of Regulation 52(4).

In pursuance thereof we hereby confirm that we have received the said aforesaid information vide your letter dated November 14, 2018 (enclosed herewith) for the half year ended September 30, 2018 alongwith the relevant/ necessary supporting and we have noted the contents in respect of the Listed Debt Securities issued by the Company.

Thanking You,

Yours Faithfully  
For **Axis Trustee Services Limited**

  
**Mangalagowri Bhat**  
Senior Manager

**AXIS TRUSTEE SERVICES LTD.**

(A wholly owned subsidiary of Axis Bank)

Corporate Identity Number (CIN): U74999MH2008PLC182264

**REGISTERED OFFICE:** Axis House, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025.

**CORPORATE OFFICE:** Axis Trustee Services Limited | The Ruby | 2nd Floor | SW | 29 Senapati Bapat Marg | Dadar West | Mumbai- 400 028

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