

**Reliance Global Business BV
in Liquidation**

Independent Auditors' Report

To the Management of
Reliance Global Business BV in Liquidation

Report on the Financial Statements

We have audited the accompanying financial statements of Reliance Global Business BV in Liquidation ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Management, as well as evaluating the overall presentation of the financial statements.

Without qualifying our opinion, we draw attention to Note.1(A) to the financial statements, stating that the management is in the process of liquidating the Company. Accordingly, the Company has followed liquidation basis of accounting to record the assets and liabilities as at balance sheet date. It is presently not determinable whether the expenditure associated with liquidation of the Company and amounts that the creditors agree to accept in settlement of obligation due to them will materially differ from the amounts shown in these financial statements. However the ultimate holding company, Reliance Industries Limited has committed to contribute for any future obligation on account of liquidation and shortfall in final settlement of the creditors of the Company and accordingly the accompanying financial statements do not include such adjustments.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profits and its cash flows for the year ended on that date.

Other Matters

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 purpose of our audit;
- b. In our opinion, proper books of account have been kept by the Company so far as appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

For Chaturvedi & Shah

Chartered Accountants
(Registration No. 101720W)

Sandesh Ladha

Partner

Membership No.: 047841

Place: Mumbai

Date: 20th April, 2017

Balance Sheet as at 31 March 2017

	Notes	As at 31st March, 2017	(In Euro) As at 31st March, 2016
EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	2	5,94,10,000	5,94,10,000
Reserves & Surplus	3	<u>16,07,656</u>	<u>452</u>
		6,10,17,656	5,94,10,452
Current Liabilities			
Short Term Payable-RIME		52,97,780	52,97,780
Trade Payables		<u>8,074</u>	<u>-</u>
TOTAL		<u><u>6,63,23,510</u></u>	<u><u>6,47,08,232</u></u>
ASSETS			
Current Assets			
Current Investments	4	-	6,11,048
Short Term Receivables	5	6,45,23,812	6,40,91,400
Balance with Bank		17,40,796	5,784
Dividend Accrued		58,902	-
		<u>6,63,23,510</u>	<u>6,47,08,232</u>
TOTAL		<u><u>6,63,23,510</u></u>	<u><u>6,47,08,232</u></u>
Notes on Financial Statements	1 to 9		

As per our Report of even date

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No. 101720W

Sandesh Ladha

Partner

M No.: 047841

Place: Mumbai

Date: 20th April, 2017

Jairaj Sampat

Official Liquidator

Place: Amsterdam

Date: 17th April, 2017

Statement of Profit and Loss for the year ended 31 March 2017

Particulars	(In Euro)	
	2016-17	2015-16
INCOME		
Other Income		
Gain on Revaluation of Investments	-	1,55,614
Dividend from Subsidiary (net)	14,86,469	-
Other Income	1,31,396	-
Total Income	<u>16,17,865</u>	<u>1,55,614</u>
EXPENDITURE		
Legal & Professional fees	7,510	1,76,168
Bank charges	2,591	1,561
Exchange (Gain)/ Loss (net)	(3)	4,665
Other Expenses	563	2,50,000
Total Expenses	<u>10,661</u>	<u>4,32,395</u>
Profit/ (Loss) Before Tax	<u>16,07,204</u>	<u>(2,76,781)</u>
Tax Expenses	-	-
Profit/ (Loss) for the Year	<u>16,07,204</u>	<u>(2,76,781)</u>
Notes on Financial Statements	1 to 9	

As per our Report of even date

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No. 101720W

Sandesh Ladha

Partner

M No.: 047841

Place: Mumbai

Date: 20th April, 2017

Jairaj Sampat

Official Liquidator

Place: Amsterdam

Date: 17th April, 2017

Cash Flow Statement for the Year ended 31st March, 2017

	2016-17	(In Euro) 2015-16
A: CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before tax as per Statement of Profit and Loss	16,07,204	(2,76,781)
Adjusted for:		
Dividend from Subsidiary	(14,86,469)	-
Other Income	(1,31,396)	
Gain on revaluation of Investment	-	(1,55,614)
	<u>(16,17,865)</u>	<u>(1,55,614)</u>
Operating Profit/(Loss) before Working Capital Changes	(10,661)	(4,32,395)
Increase/(Decrease) in Trade and other receivables	-	1,464
(Increase)/Decrease in Short Term Receivable	(4,32,412)	(6,40,91,400)
Increase/(Decrease) in Short Term Payable	-	52,97,780
Increase/(Decrease) in Trade Payables & Other Current Liabilities	8,074	(23,024)
	<u>(4,24,338)</u>	<u>(5,88,15,180)</u>
Cash Generated from Operations before Tax	(4,34,999)	(5,92,47,575)
Tax Expense	-	-
Net Cash (used in)/from Operating Activities	<u>(4,34,999)</u>	<u>(5,92,47,575)</u>
B: CASH FLOW FROM INVESTING ACTIVITIES:		
Redemption of Shares of Subsidiary	-	6,40,91,400
Settlement of amount upon liquidation	7,42,444	-
Dividend received	14,27,567	-
Net Cash (used in)/from Investing Activities	<u>21,70,011</u>	<u>6,40,91,400</u>
C: CASH FLOW FROM FINANCING ACTIVITIES:		
Dividends Paid (Including Dividend Distribution tax)	-	(49,19,500)
Net Cash (used in)/from Financing Activities	<u>-</u>	<u>(49,19,500)</u>
Net Increase / (Decrease) in Cash and Cash Equivalents	17,35,012	(75,675)
Opening Balance of Cash and Cash Equivalents	5,784	81,459
Closing Balance of Cash and Cash Equivalents	17,40,796	5,784

As per our Report of even date

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No. 101720W

Sandesh Ladha

Partner

M No.: 047841

Place: Mumbai

Date: 20th April, 2017

Jairaj Sampat

Official Liquidator

Place: Amsterdam

Date: 17th April, 2017

Notes to the financial statements for the year ended 31 March 2017

COMPANY OVERVIEW

Reliance Global Business BV in Liquidation (the 'Company') was incorporated in Netherlands on 28th March 2008 with its registered office in the Hague, the Netherlands, and its business office at Hoogoorddreef 15, 1101 BA Amsterdam.

The Company has ceased business and a shareholders resolution has been passed on 23rd March 2016 to put the company into voluntary liquidation. The ultimate holding company, Reliance Industries Limited, India has committed to contribute for any further obligation on account of liquidation and shortfall in final settlement of the liabilities of the company.

Realizable value of assets and settlement values of liabilities are based on management estimates.

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

The financial statements are prepared under the liquidation basis of accounting on the assumption that the company ceases to be a going concern. The current liabilities and provisions are stated on the accrual basis of accounting to comply with the accounting standards issued by the Institute of Chartered Accountants of India and in conformity with the accounting principles generally accepted in India.

However, as these financial statements are not statutory financial statements, full compliance with the Companies Act, 2013 (the Act) is not required and so they do not reflect all the disclosure requirements of the Act.

B. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

C. Foreign Currency Transactions

- a. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- b. Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- c. Assets and liabilities, other than investments and equity, denominated in foreign currencies are translated into the reporting currency at the rates of exchange prevailing at the balance sheet date.
- d. Non monetary foreign currency items are carried at cost.
- e. Any income or expense on account of exchange difference on settlement or on translation is recognized in the Statement of Profit and Loss.

D. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

E. Investments

Investment are valued at realizable value based on management estimates under liquidation basis of accounting.

F. Provision for Current Tax

Provision for current tax (if any) is made after taking into consideration benefits admissible under the provisions of taxation laws of Netherlands.

G. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Notes on Financial Statements for the Year ended 31st March, 2017

(In Euro)

2. SHARE CAPITAL

		As at 31st March, 2017	As at 31st March, 2016
Authorised Share Capital			
5,00,00,00,000	Ordinary Shares of Euro 0.01 each	5,00,00,000	5,00,00,000
(5,00,00,00,000)			
10,00,00,00,000	Class A Shares of Euro 0.01 each	10,00,00,000	10,00,00,000
(10,00,00,00,000)			
TOTAL		15,00,00,000	15,00,00,000
Issued, Subscribed and Paid Up Capital			
20,00,000	Ordinary Shares of Euro 0.01 each	20,000	20,000
(20,00,000)			
5,93,90,00,000	Class A Shares of Euro 0.01 each	5,93,90,000	5,93,90,000
(5,93,90,00,000)			
TOTAL		5,94,10,000	5,94,10,000

2.1. The details of Shareholders holding more than 5% shares and details of shares held by the Holding Company

Particulars of Shareholders	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	% holding	No. of Shares	% holding
Ordinary Shares of EURO .01 each				
Reliance Industries (Middle East) DMCC	20,00,000	100%	20,00,000	100.00%
Class A Shares of EURO .01 each				
Reliance Industries (Middle East) DMCC	5,93,90,00,000	100%	5,93,90,00,000	100.00%

2.2. The reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31st March, 2017	As at 31st March, 2016
Ordinary Shares at the beginning of the year	20,00,000	20,00,000
Add : Shares issued	-	-
Less: Shares Cancelled	-	-
Ordinary Shares at the end of the year	20,00,000	20,00,000
Class A Shares at the beginning of the year	5,93,90,00,000	5,93,90,00,000
Add : Shares issued	-	-
Less: Shares Cancelled	-	-
Class A Shares at the end of the year	5,93,90,00,000	5,93,90,00,000

Notes on Financial Statements for the Year ended 31st March, 2017

3. RESERVES & SURPLUS	(In Euro)	
	As at 31st March, 2017	As at 31st March, 2016
Profit & Loss Statement		
As per last Balance Sheet	452	51,96,733
Profit/(Loss) for the Year	16,07,204	(2,76,781)
Dividend Paid	-	(46,70,341)
Withholding Tax on Dividend Paid	-	(2,49,159)
Total	16,07,656	452
4. CURRENT INVESTMENT		
	As at 31st March, 2017	As at 31st March, 2016
(-) Ordinary Shares of Wave Land Developers Limited of 82,108 KSHS 1000 each Fully Paid Up	-	6,11,048
Total	-	6,11,048
5. SHORT TERM RECEIVABLES		
(Unsecured and Considered Good)	As at 31st March, 2017	As at 31st March, 2016
Receivables (Refer Note - 9)	6,45,23,812	6,40,91,400
Total	6,45,23,812	6,40,91,400

6. The Accounts have been prepared for the limited purpose of their consolidation with its Ultimate Holding Company, namely, Reliance Industries Limited in terms of Accounting Standard - 21 on Consolidated Financial Statements.
7. The activities of the Company mainly comprise of Investment, all the other activities revolve around its main business. As such there are no separate reportable segments and hence information as required by Accounting Standard - 17 on Segment Reporting is not given.
8. The previous year figures have been reclassified and regrouped wherever necessary.
9. Disclosure as per Accounting Standard - 18 on Related Party Transactions are given below:

(i) **List of related parties and relationships:**

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industries Limited	Ultimate Holding Company
2	Reliance Industries (Middle East) DMCC	Holding Company (from 22 nd March, 2016)
3	Reliance Industrial Investments and Holdings Limited	Holding Company (upto 9 th March, 2016)
4	Wave Land Developers Limited in Liquidation	Subsidiary Company
5	Delta Corp East Africa Limited in Liquidation	
6	Recron (Malaysia) Sdn Bhd	Fellow Subsidiary Company (from 23 rd March, 2016)
7	RIL USA Inc	Fellow Subsidiary (from 25 th March, 2016)
8	Shri Jairaj Sampat	Key Managerial Personnel (Up to 22 nd March, 2016)

Notes on Financial Statements for the Year ended 31st March, 2017

(ii) Transactions with related parties:

Sr. No.	Name of Related Party	(In Euro)	
		2016-17	2015-16
a.	RIL USA Inc		
	Opening Balance		
	Investments	-	1,80,19,782
	Transaction during the year		
	Revaluation of Investments	-	1,89,94,618
	Transferred	-	(37,014,400)
	Closing Balance		
	Investments	-	-
b.	Reliance Industries Limited		
	Opening Balance		
	Share Capital	-	(5,93,92,000)
	Transaction during the year		
	Transferred	-	5,93,92,000
	Closing Balance		
	Share Capital	-	-
c.	Wave Land Developers Limited		
	Opening Balance		
	Investments		
	Ordinary Shares	6,11,048	8,54,982
	Transaction during the year		
	Revaluation of Investments	-	(2,43,934)
	Settlement of amount upon liquidation	(6,11,048)	-
	Liquidation dividend received	1,486,469	-
	Closing Balance		
	Investments		
	Ordinary Shares	-	6,11,048
	Dividend accrued	58,902	-
d.	Recron (Malaysia) Sdn Bhd.		
	Opening Balance		
	Investments	-	4,56,72,070
	Transaction during the year		
	Revaluation of Investment	-	(185,95,070)
	Transferred	-	(27,077,000)
	Closing Balance		
	Investments	-	-

Notes on Financial Statements for the Year ended 31st March, 2017

Sr. No.	Name of Related Party	(In Euro)	
		2016-17	2015-16
e.	Reliance Industrial Investments and Holdings Limited		
	Opening Balance		
	Share Capital	-	(18,000)
	Transaction during the year		
	Transferred	-	18,000
	Closing Balance		
	Share Capital	-	-
f.	Reliance Industries (Middle East) DMCC		
	Opening Balance		
	Share Capital	(5,94,10,000)	-
	Loan Payable	(52,97,780)	-
	Receivable on account of sale of Investment	6,40,91,400	-
	Transaction during the year		
	Transferred	-	(5,94,10,000)
	Sale of Investment	-	6,40,91,400
	Loan Taken	-	(52,97,780)
	Closing Balance		
	Share Capital	(5,94,10,000)	(5,94,10,000)
	Loan Payable	(52,97,780)	(52,97,780)
	Receivable on account of sale of Investment	6,40,91,400	6,40,91,400
g.	Delta Corp East Africa Ltd. (in liquidation)		
	Opening Balance		
	Receivable	-	-
	Transaction during the year		
	Receivable due from Delta Square Limited, distributed in specie to the holding company	4,32,412	-
	Closing Balance		
	Receivable	4,32,412	-
h.	Payments to Key Managerial Personnel		
	Director Fees	-	21,780
	Bonus	-	2,50,000

As per our Report of even date

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No. 101720W

Sandesh Ladha

Partner

M No.: 047841

Place: Mumbai

Date: 20th April, 2017

Jairaj Sampat

Official Liquidator

Place: Amsterdam

Date: 17th April, 2017