

# **Reliance Polyolefins Limited**

## Independent Auditor's Report

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### To the Members of Reliance Polyolefins Limited

#### Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance Polyolefins Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, and the Statement of Profit and Loss and 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements 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 fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 misstatement.

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 judgement, 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 of the financial statements that give a true and fair view 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 the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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 the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its profits and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

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

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2. As required by Section 143(3) of the Act, 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 appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016, 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 B”.
  - g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, 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 on its financial position.
    - ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts that require provision under any law or accounting standards 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.

**For Pathak H.D & Associates**  
Chartered Accountants  
(Firm Registration no. 107783W)

**Saurabh Pamecha**  
Partner  
Membership No.: 126551  
Mumbai  
Date: 19<sup>th</sup> April, 2016

## **“Annexure A” to Independent Auditors’ Report**

**“Annexure A” to Independent Auditors’ Report referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of our report of even date.**

- i) As the Company had no Fixed assets during the year, clause (i) of paragraph 3 of the Order is not applicable to the company.
- ii) As explained to us, physical verification of the inventories have been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies were noticed on such physical verification.
- iii) 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. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.
- iv) Company has complied with the provisions of section 186 of the Act, in respect of investments, loans, guarantees or security given.
- v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.
- vii) In respect of Statutory dues :
  - a) According to the records of the Company, undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited with 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 March 31, 2016 for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax , cess on account of any dispute, which have not been deposited.
- viii) The Company has not raised loans from financial institutions or banks or by issue of debentures and hence clause (viii) of paragraph 3 of the Order is not applicable to the Company.
- ix) The company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans and hence clause (ix) of paragraph 3 of the order is not applicable to the company.
- x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or 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, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.
- xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the company.

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- xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
- xvi) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Pathak H.D & Associates**  
Chartered Accountants  
(Firm Registration no. 107783W)

**Saurabh Pamecha**  
Partner  
Membership No.: 126551  
Mumbai  
Date: 19<sup>th</sup> April, 2016

## **“Annexure B” to Independent Auditors’ Report**

**“Annexure B” to Independent Auditors’ Report referred to in paragraph 2(f) under the heading “Report on other legal and regulatory requirements” of our report of even date.**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the Internal Financial Control over financial reporting of **Reliance Polyolefins Limited** (“the company”) as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the financial statements of the Company for the year then ended.

#### **Management Responsibility for the Internal Financial Controls**

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

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for 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

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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, 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<sup>st</sup> March, 2016, 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 ICAI.

For **Pathak H.D & Associates**  
Chartered Accountants  
(Firm Registration no. 107783W)

**Saurabh Pamecha**  
Partner  
Membership No.: 126551

Mumbai  
Date: 19<sup>th</sup> April, 2016

## Balance Sheet as at 31st March, 2016

	Note	As at	
		31st March, 2016	31st March, 2015
		₹	₹
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	13 25 53 800	13 25 53 800
Reserves and Surplus	2	2589 70 19 679	2584 54 52 350
		<u>2602 95 73 479</u>	<u>2597 80 06 150</u>
<b>Current Liabilities</b>			
Other Current Liabilities	3	4 91 417	4 55 37 850
		<u>4 91 417</u>	<u>4 55 37 850</u>
<b>TOTAL</b>		<u><u>2603 00 64 896</u></u>	<u><u>2602 35 44 000</u></u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Non-Current Investments	4	2600 83 78 228	2602 18 21 280
<b>Current Assets</b>			
Current Investments	5	1 90 11 801	-
Cash and Bank Balances	6	9 71 600	4 71 393
Other Current Assets	7	17 03 267	12 51 327
		<u>2 16 86 668</u>	<u>17 22 720</u>
<b>TOTAL</b>		<u><u>2603 00 64 896</u></u>	<u><u>2602 35 44 000</u></u>
Significant Accounting Policies			
Notes on Financial Statements	1 to 18		

As per our report of even date

**For Pathak H. D. & Associates**

Chartered Accountants

Registration No.: 107783W

**Saurabh Pamecha**

Partner

Membership No.: 126551

Mumbai

Dated: April 19, 2016

For and on behalf of the Board

**K V V S Murthy**

Director

**Shivkumar R Bhardwaj**

Director

**Deepak Vaid**

Chief Financial Officer

**N Shanker**

Director

**Dhiren V. Dalal**

Director

**Drashti Shah**

Secretarial Officer



## Profit and Loss Statement for the year ended 31st March, 2016

	Note	2015-16 ₹	2014-15 ₹
<b>INCOME</b>			
Revenue from Operation	8	62 05 90 309	56 68 16 361
Income on Investments	9	13 10 24 237	17 49 05 191
Other Income	10	20 11 998	7 74 204
<b>Total Revenue</b>		<b>75 36 26 544</b>	<b>74 24 95 756</b>
<b>EXPENDITURE</b>			
Purchases	11	61 90 42 665	56 54 02 502
Finance Cost		4 68 38 013	15 94 74 903
Other expenditure	12	70 06 377	16 19 220
<b>Total Expenses</b>		<b>67 28 87 055</b>	<b>72 64 96 625</b>
Profit before tax		8 07 39 489	1 59 99 131
Current tax		2 79 49 000	55 70 000
Taxes for earlier years		12 23 160	-
Profit for the year		<b>5 15 67 329</b>	<b>1 04 29 131</b>
Earnings per equity shares of face value of ₹ 10 each	13		
Basic (₹)		51.06	10.33
Diluted (₹)		48.33	10.33
Significant Accounting Policies			
Notes on Financial Statements	1 to 18		

As per our report of even date

**For Pathak H. D. & Associates**

Chartered Accountants

Registration No.: 107783W

**Saurabh Pamecha**

Partner

Membership No.:126551

Mumbai

Dated: April 19, 2016

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Director

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Director

**Drashti Shah**

Secretarial Officer

## Cash Flow Statement for the year 2015-16

	₹	2015-16 ₹	₹	2014-15 ₹
<b>A Cash Flow from Operating Activities</b>				
Net Profit before tax as per Profit and Loss Statement		<b>8 07 39 489</b>		1 59 99 131
Adjusted for:				
Profit on sale of investments	(9 98 91 089)		(4 38 32 211)	
Effect of Exchange Rate Change	( 59 53 610)		(1 27 41 508)	
Profit on sale of current investments	(2 51 79 538)		(11 83 31 472)	
Dividend Income	( 20 10 988)		( 7 74 204)	
Interest paid	<u>4 68 38 013</u>		<u>15 94 74 903</u>	
		<u>(8 61 97 212)</u>		<u>(1 62 04 492)</u>
<b>Operating (Loss) before Working Capital Changes</b>		<b>( 54 57 723)</b>		<b>( 2 05 361)</b>
Adjusted for:				
Other current liabilities payable	<u>( 16 66 279)</u>		<u>20 48 170</u>	
		<u>( 16 66 279)</u>		<u>20 48 170</u>
<b>Cash Generated from Operations</b>		<b>( 71 24 002)</b>		<b>18 42 809</b>
Taxes paid		<u>(2 96 24 100)</u>		<u>( 64 97 267)</u>
Net Cash (used in) Operating Activities		<u>(3 67 48 102)</u>		<u>( 46 54 458)</u>
<b>B Cash Flow from Investing Activities</b>				
Purchase of Investments		(261 79 00 000)		(919 91 05 379)
Sale of Investments		<u>274 53 66 476</u>		<u>937 22 12 069</u>
Net Cash from Investing Activities		<u>12 74 66 476</u>		<u>17 31 06 690</u>
<b>C Cash Flow from Financing Activities</b>				
Proceeds from Long Term Borrowings		<b>250 15 00 000</b>		904 65 00 000
Repayment of Long Term Borrowings		(250 15 00 000)		(904 65 00 000)
Interest paid		<u>(9 02 18 167)</u>		<u>(16 82 94 749)</u>
Net Cash (used in) Financing Activities		<u>(9 02 18 167)</u>		<u>(16 82 94 749)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		<b>5 00 207</b>		1 57 483
Opening Balance of Cash and Cash Equivalents		<u>4 71 393</u>		<u>3 13 910</u>
Closing Balance of Cash and Cash Equivalents		<u>9 71 600</u>		<u>4 71 393</u>
(Refer Note No. 5)				

As per our report of even date

**For Pathak H. D. & Associates**

Chartered Accountants

Registration No.: 107783W

**Saurabh Pamecha**

Partner

Membership No.:126551

Mumbai

Dated: April 19, 2016

For and on behalf of the Board

**K V V S Murthy**

Director

**Shivkumar R Bhardwaj**

Director

**Deepak Vaid**

Chief Financial Officer

**N Shanker**

Director

**Dhiren V. Dalal**

Director

**Drashti Shah**

Secretarial Officer

## Significant Accounting Policies

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### A. Basis of Preparation of Financial Statements

These financial statements have been prepared to comply with Accounting Principles Generally accepted in India (Indian GAAP), the Accounting Standards notified under the relevant provisions of the Companies Act 2013.

The financial statements are prepared on accrual basis under the historical cost convention.

### B. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires judgements, 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 recognised in the period in which the results are known/materialised. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

### C. 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 incurred in bringing them to their respective present location and condition.

### D. Revenue Recognition

Revenue is recognised only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operation includes sale of goods. Dividend income is recognised when the right to receive payment is established.

### E. Investments

Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

### F. Foreign Currency Transactions

- a. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.
- b. Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- c. Non-monetary foreign currency items are carried at cost.
- d. In respect of foreign operations, which are non-integral operations, all assets and liabilities, both monetary and non-monetary, are translated at closing rate, while all income and expenses are translated at average exchange rate for the year. The resulting exchange differences are accumulated in the 'Foreign Currency Translation Reserve'
- e. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

### G. Income Taxes

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available/ except that deferred tax assets, in case there are losses, they are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same. Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

### H. Provisions, Contingent Liabilities and Contingent Assets

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the financial statements.

## Notes on Financial Statements for the year ended 31st March, 2016

1. Share Capital		As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>Authorised:</b>			
10,50,000 (10,50,000)	Equity Shares of ₹ 10 each	1 05 00 000	1 05 00 000
1,35,00,000 (1,35,00,000)	Preference Shares of ₹ 10 each	13 50 00 000	13 50 00 000
		<u>14 55 00 000</u>	<u>14 55 00 000</u>
<b>Issued, Subscribed and Paid up:</b>			
* 10,10,000 (10,10,000)	Equity Shares of ₹ 10 each fully paid up ₹	1 01 00 000	1 01 00 000
** @ (1,17,46,000)	10% Non Cumulative Redeemable Preference Shares of ₹ 10 each fully paid up  (Redeemable at the end of ten years from the date of allotment i.e. 30.03.2007 at a price of ₹ 1000 per share. The Company / Preference shareholder have an option for early redemption any time after expiry of forty five days from the date of allotment by giving not less than seven days notice.)	-	11 74 60 000
** 1,17,46,000 (-)	10% Non-Cumulative Optionally-Convertible Preference Shares of ₹ 10 each fully paid up  (Preference Shares are redeemable at the option of the Company, at the end of ten years from the date of allotment 30.03.2007, by giving not less than seven days notice to the holder of the Preference Shares, at a premium of ₹ 990 per share. The Company (Issuer) will have an option for early conversion at any time by giving one month notice to the Preference Shareholder. The conversion of the Preference Shares will be based on higher of the book value or face value of the share as at March 31, 2015)	11 74 60 000	-
*** 4,99,380 (4,99,380)	10% Non-Cumulative Optionally-Convertible Preference Shares of ₹ 10 each fully paid up  (Preference Shares are redeemable at the option of the Company, at the end of ten years from the dates of allotment 13.01.2010 & 31.03.2010, by giving not less than thirty days notice to the holder of the Preference Shares, at a premium of ₹ 4,990 per share. The Company (Issuer) will have an option for early conversion at any time by giving one month notice to the Preference Shareholder. The conversion of the Preference Shares will be based on higher of the book value or face value of the share as at March 31, 2015)	49 93 800	49 93 800
		<u>13 25 53 800</u>	<u>13 25 53 800</u>

@ During the year, the terms have been changed from “Non-Cumulative Redeemable Preference Shares” to “Non-Cumulative Optionally-Convertible Preference Shares”.

## Notes on Financial Statements for the year ended 31st March, 2016

### Notes:

- a) Details of Shareholders holding more than 5% shares

Name of the Shareholders	As at 31st March, 2016		As at 31st March, 2015	
	Nos. of shares	% held	Nos. of shares	% held
* Reliance Industrial Investments and Holdings Ltd (Holding Company)	10 10 000	100.00	10 10 000	100.00
** Reliance Energy and Project Development Ltd (Fellow Subsidiary Co.)	1 17 46 000	100.00	1 17 46 000	100.00
*** Reliance World Trade Private Limited (Fellow Subsidiary Co.)	4 99 380	100.00	4 99 380	100.00

- b) Reconciliation of shares outstanding at the beginning and at the end of the year

	As at 31st March, 2016		As at 31st March, 2015	
	Equity Nos.	Preference Nos.	Equity Nos.	Preference Nos.
Shares at the beginning	10 10 000	1 22 45 380	10 10 000	1 22 45 380
Add: Shares issued during the year	-	-	-	-
Shares at the end of the year	10 10 000	1 22 45 380	10 10 000	1 22 45 380

- c) Rights, Preferences and Restrictions attached to shares

The Equity Shareholder is eligible for one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

All the 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.

### 2 Reserves and Surplus

	As at 31st March, 2016		As at 31st March, 2015	
	₹	₹	₹	₹
<b>Capital Redemption Reserve</b>				
As per last Balance Sheet		98 20 000		98 20 000
<b>Securities Premium Reserve</b>				
As per last Balance Sheet		1412 04 46 200		1412 04 46 200
<b>Surplus in Profit and Loss Account</b>				
As per last Balance Sheet	1171 51 86 150		1170 47 57 019	
Add: Profit for the year	5 15 67 329		1 04 29 131	
		<b>1176 67 53 479</b>		1171 51 86 150
		<b>2589 70 19 679</b>		<b>2584 54 52 350</b>

### 3 Other Current Liabilities

	As at 31st March, 2016		As at 31st March, 2015	
	₹		₹	
Interest payable		-		4 33 80 154
Others payables *		4 91 417		21 57 696
		<b>4 91 417</b>		<b>4 55 37 850</b>

\* Includes Statutory dues and liability for expenses

The Company does not have any creditors governed by the Micro, Small and Medium Enterprises Development Act, 2006.

## Notes on Financial Statements for the year ended 31st March, 2016

4 Non-Current Investments	As at 31st March, 2016		As at 31st March, 2015	
	₹	₹	₹	₹
Long Term Investments (Valued at Cost, less other than temporary diminution in value, if any.)				
Other Investments				
<b>Quoted, fully paid up</b>				
<b>In Equity shares of Ultimate Holding Company</b>				
6,11,94,924 Reliance Industries Limited		2407 20 21 195		2407 20 21 195
(6,11,94,924) of ₹ 10 each				
<b>Unquoted, fully paid up</b>				
<b>In Preference shares of Fellow Subsidiary Companies</b>				
@ - 10% Non Cumulative Preference shares			24 89 00 000	
(1,24,450) of Reliance Chemicals Limited of ₹ 10 each				
1,24,450 10% Non-Cumulative Optionally-	24 89 00 000			
(-) Convertible Preference shares of Reliance Chemicals Limited of ₹ 10 each				
1,49,020 10% Non Cumulative Optionally	74 51 00 000		74 51 00 000	
(1,49,020) Convertible Preference shares of Reliance Industrial Investments and Holdings Limited of ₹ 10 each				
	<u>99 40 00 000</u>		<u>99 40 00 000</u>	
<b>In Others</b>				
MPM Bioventure IV-QP, LP, USA	94 23 57 033		95 58 00 085	
(Limited Partner)				
	<u>193 63 57 033</u>		<u>194 98 00 085</u>	
	<u>2600 83 78 228</u>		<u>2602 18 21 280</u>	
Aggregate amount of quoted investments	<u>2407 20 21 195</u>		<u>2407 20 21 195</u>	
Market Value of quoted investments	<u>6396 09 34 565</u>		<u>5695 65 63 564</u>	
Aggregate amount of unquoted investments	<u>193 63 57 033</u>		<u>194 98 00 085</u>	
@ During the year, the terms have been changed from “Non-Cumulative Preference Shares” to “Non-Cumulative Optionally- Convertible Preference Shares”.				
<b>5 Current Investments</b>				
(Carried at lower of cost and quoted / fair value)				
	As at 31st March, 2016		As at 31st March, 2015	
	₹	₹	₹	₹
<b>In Mutual Fund - Unquoted</b>				
189,987.869 ICICI Prudential Liquid - Direct Plan -		1 90 11 801		-
(-) Daily Dividend of ₹ 100 each				
		<u>1 90 11 801</u>		<u>-</u>
Aggregate amount of unquoted investments		<u>1 90 11 801</u>		<u>-</u>

## Notes on Financial Statements for the year ended 31st March, 2016

<b>6 Cash and Bank Balances</b>	<b>As at 31st March, 2016 ₹</b>	<b>As at 31st March, 2015 ₹</b>
Cash and cash equivalents		
Balance with Bank in current account	<b>9 71 600</b>	4 71 393
	<b>9 71 600</b>	4 71 393
<b>7 Other Current Assets</b>	<b>As at 31st March, 2016 ₹</b>	<b>As at 31st March, 2015 ₹</b>
Advance Income Tax (Net of Provisions)	<b>16 78 267</b>	12 26 327
MVAT deposit	<b>25 000</b>	25 000
	<b>17 03 267</b>	12 51 327
<b>8 Revenue from Operations</b>	<b>2015-16 ₹</b>	<b>2014-15 ₹</b>
Sale of Electronic goods	<b>62 05 90 309</b>	56 68 16 361
	<b>62 05 90 309</b>	56 68 16 361
<b>9 Income on Investments</b>	<b>2015-16 ₹</b>	<b>2014-15 ₹</b>
Income received from Limited Partner:		
Return of Capital	<b>9 98 91 089</b>	4 38 32 211
Gain on exchange rate difference	<b>59 53 610</b>	1 27 41 508
	<b>10 58 44 699</b>	5 65 73 719
Profit on sale of current investments	<b>2 51 79 538</b>	11 83 31 472
	<b>13 10 24 237</b>	17 49 05 191
<b>10 Other Income</b>	<b>2015-16 ₹</b>	<b>2014-15 ₹</b>
Dividend Income	<b>20 10 988</b>	7 74 204
Miscellaneous Income	<b>1 010</b>	-
	<b>20 11 998</b>	7 74 204
<b>11 Purchases</b>	<b>2015-16 ₹</b>	<b>2014-15 ₹</b>
Purchase of Electronic goods	<b>61 90 42 665</b>	56 54 02 502
	<b>61 90 42 665</b>	56 54 02 502

## Notes on Financial Statements for the year ended 31st March, 2016

12 Other Expenses	2015-16 ₹	2014-15 ₹
Auditors' remuneration		
Audit fees	17 175	13 483
Tax Audit fees	3 435	2 809
Professional fees	53 54 890	5 63 509
Filing fees	4 800	27 000
Charities and Donations	10 00 000	10 00 000
Profession Tax	2 500	2 500
Directors Sitting Fees	6 09 292	-
General expenses	14 285	9 919
	70 06 377	16 19 220

12.1 Professional fees includes payment to Key Managerial Personnel ₹ 52 92 402 (previous year ₹ 5 46 655)

### 12.2 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 ₹ 9 95 750 (Previous Year ₹ 9 81 225)
- b) Expenditure related to Corporate Social Responsibility is ₹ 10 00 000 (Previous Year ₹ 10 00 000).

Details of Amount spent towards CSR given below:

Particulars	2015-16 ₹	2014-15 ₹
Education	10 00 000	10 00 000

13 Earnings per share	2015-16	2014-15
Net Profit after Tax as per Profit and Loss Statement attributable to Equity Shareholders (₹)	5 15 67 329	1 04 29 131
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	10 10 000	10 10 000
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	10 66 938	10 10 000
Basic Earnings per share (₹)	51.06	10.33
Diluted Earnings per share (₹)	48.33	10.33
Face Value per Equity Share (₹)	10	10

14 The Previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year presentation.

- a) The Company has no deferred tax assets or liabilities in accordance with Note G of Significant Accounting Policies.
- b) The Income-Tax assessments of the Company have been completed up to Assessment Year 2013-14. The disputed demand outstanding up to the said Assessment Year is ₹ Nil.
- c) Details of Loans given, Investment made and Guarantee given covered u/s. 186 (4) of the Companies Act, 2013
  - i) Investments made by the Company as at 31st March, 2016 (Refer Note No. 4)
  - ii) No Loans are given by the Company as at 31st March, 2016
  - iii) No Guarantees / Securities are given by the Company as at 31st March, 2016





## Notes on Financial Statements for the year ended 31st March, 2016

ii) Secondary Segment Information	2015-16	2014-15
a) <b>Segment Revenue - External Turnover</b>		
Within India	64 77 81 845	68 59 22 037
Outside India	10 58 44 699	5 65 73 719
Total revenue	<u>75 36 26 544</u>	<u>74 24 95 756</u>
b) <b>Segment Assets</b>		
Within India	2508 77 07 863	2506 77 43 915
Outside India	94 23 57 033	95 58 00 085
Total Assets	<u>2603 00 64 896</u>	<u>2602 35 44 000</u>
c) <b>Segment Liabilities</b>		
Within India	4 91 417	4 55 37 850
Outside India	-	-
Total Liability	<u>4 91 417</u>	<u>4 55 37 850</u>
d) <b>Capital Expenditure</b>		
Within India	-	-
Outside India	-	-
Total Expenditure	<u>-</u>	<u>-</u>

### 17 Related Party

As per Accounting Standard 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

#### 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 Industrial Investments and Holdings Limited	Holding Company
3	Reliance Strategic Investments Limited	Fellow Subsidiary Companies
4	Reliance Energy and Project Development Limited	
5	Reliance Chemicals Limited	
6	Reliance Corporate IT Park Limited	
7	Reliance World Trade Private Limited	
8	Shri Pankaj Mittal (Manager)	Key Managerial Personnel

## Notes on Financial Statements for the year ended 31st March, 2016

### ii) Transactions during the year with related parties:

Sr. No.	Nature of Transaction (Excluding reimbursements)	Ultimate Holding Company	Holding Company	Fellow Subsidiary Companies	Key Managerial Personnel	Total
		₹	₹	₹	₹	₹
1	Loans taken / (repaid)	-	-	-	-	-
		-	(28 46 00 000)	-	-	(28 46 00 000)
2	Interest paid	-	<b>4 68 38 013</b>	-	-	<b>4 68 38 013</b>
		-	15 94 74 903	-	-	15 94 74 903
3	Professional Fees	-	-	-	<b>8 18 333</b>	<b>8 18 333</b>
		-	-	-	2 21 642	221,642.00
<b>Balance as at 31st March, 2016</b>						
4	<b>Equity Share Capital</b>	-	<b>1 01 00 000</b>	-	-	<b>1 01 00 000</b>
		-	1 01 00 000	-	-	1 01 00 000
5	<b>Preference Share Capital (including premium)</b>	-	<b>-1424 29 00 000</b>	-	-	<b>1424 29 00 000</b>
		-	-1424 29 00 000	-	-	1424 29 00 000
6	<b>Investments</b>	<b>2407 20 21 195</b>	<b>74 51 00 000</b>	<b>24 89 00 000</b>	-	<b>2506 60 21 195</b>
		2407 20 21 195	74 51 00 000	24 89 00 000	-	2506 60 21 195
7	<b>Interest payable</b>	-	-	-	-	-
		-	4 33 80 154	-	-	4 33 80 154
8	<b>Other Current Liabilities</b>	-	-	-	-	-
		1 23 388	-	3 74 615	-	4 98 003

Note: Figures in Italic represents previous year's amount.

### iii) Disclosure in Respect of Material Related Party Transactions during the year:

Particulars	Relationship	2015-16	2014-15
1 <b>Loans taken / (repaid)</b>			
Reliance Industrial Investments and Holdings Limited	Holding	<b>250 15 00 000</b>	904 65 00 000
Reliance Industrial Investments and Holdings Limited	Holding	<b>(250 15 00 000)</b>	(904 65 00 000)
2 <b>Interest paid</b>			
Reliance Industrial Investments and Holdings Limited	Holding	<b>4 68 38 013</b>	15 94 74 903
3 <b>Professional Fees</b>			
Shri Pankaj Mittal	Key Managerial Personnel	<b>8 18 333</b>	2 21 642

## Notes on Financial Statements for the year ended 31st March, 2016

18 (a) Contingent Liabilities	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
Unfunded capital commitment in Joint Venture	9 40 15 845	8 86 87 500
(b) Earnings in Foreign Exchange	2015-16 ₹	2014-15 ₹
Income from investment in joint venture	10 58 44 699	5 65 73 719

As per our report of even date

**For Pathak H. D. & Associates**

Chartered Accountants

Registration No.: 107783W

**Saurabh Pamecha**

Partner

Membership No.:126551

Mumbai

Dated: April 19, 2016

For and on behalf of the Board

**K V V S Murthy**

Director

**Shivkumar R Bhardwaj**

Director

**Deepak Vaid**

Chief Financial Officer

**N Shanker**

Director

**Dhiren V. Dalal**

Director

**Drashti Shah**

Secretarial Officer