

Reliance Prolific Traders Private Limited

Independent Auditor's Report

To the Members of Reliance Prolific Traders Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance Prolific Traders Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st 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 31st March, 2016, and its loss 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 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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 has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 21 to the financial statement.
 - 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 **Chaturvedi & Shah**
Chartered Accountants
(Firm Registration no. **101720W**)

Jignesh Mehta
Partner
Membership No.: 102749

Mumbai
Date: 18th 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) In respect of its fixed assets :
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) According to the information and explanations given to us and the title deeds and other records examined by us, we report that the title deeds in respect of all the immovable properties of lands which are freehold and disclosed as fixed assets in the financial statement and buildings are held in the Company’s name or in the Company’s erstwhile name as at the balance sheet date.
- ii) As the Company had no Inventories during the year, clause (ii) of paragraph 3 of the Order is not applicable to the Company.
- 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 not directly or indirectly advanced loan to the persons covered under Section 185 of the Act or given guarantees or securities in connection with the loan taken by such persons. Company has not made any investments or given any loan or any guarantee or security in connection with the loan to any person or body corporate covered under section 186 of the Act. Consequently, the requirement of clause (iv) of paragraph 3 of the Order is not applicable to the Company.
- 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 government 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 Loan 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.

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- 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.
- 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 them 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 Chaturvedi & Shah
Chartered Accountants
(Firm Registration no. 101720W)

Jignesh Mehta
Partner
Membership No.: 102749

Mumbai
Date: 18th 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 Prolific Traders Private Limited** (“the company”) as of 31st 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

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 31st 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 **Chaturvedi & Shah**

Chartered Accountants

(Firm Registration no. 101720W)

Jignesh Mehta

Partner

Membership No.: 102749

Mumbai

Date: 18th April, 2016

Balance Sheet as at 31st March, 2016

	Note	As at 31st March, 2016	Amount in ₹ As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	12 86 72 000	12 86 72 000
Reserves and Surplus	2	1406 04 82 384	1414 85 82 604
		1418 91 54 384	1427 72 54 604
Non - Current Liabilities			
Long-Term Borrowings	3	1385 47 50 000	1241 52 00 000
	4	1 36 79 641	86 09 816
		1386 84 29 641	1242 38 09 816
Current Liabilities			
Other Current Liabilities	5	13 66 97 266	24 99 68 917
TOTAL		2819 42 81 291	2695 10 33 337
ASSETS			
Non-Current Assets			
Tangible Assets	6	2113 81 97 277	2044 51 95 669
Capital Work-in-Progress		200 66 09 666	134 51 12 878
		2314 48 06 943	2179 03 08 547
Long-Term Loans and Advances	7	503 33 39 622	514 57 86 950
Current Assets			
Trade Receivables	8	43 47 166	9 00 636
Cash and Bank Balances	9	6 94 142	13 48 777
Short Term Loans and Advances	10	1 10 93 418	1 26 88 427
		1 61 34 726	1 49 37 840
TOTAL		2819 42 81 291	2695 10 33 337
Significant Accounting Policies			
Notes on Financial Statements	1 to 23		

As per our Report of even date

For **Chaturvedi & Shah**
Firm Registration No.: 101720W
Chartered Accountants

Jignesh Mehta
Partner
Membership No.: 102749

Mumbai
Dated: 18th April, 2016

For and on behalf of the Board

Rajendra Kamath
Director
(DIN: 01115052)

B. Chandrasekaran
Director
(DIN: 06670563)

Sumeet Goyal
CFO
(PAN: AGYPG8242J)

Saravanan Viswanathan
Director
(DIN: 05244819)

C. S. Gokhale
Director
(DIN: 00012666)

Girish Parameswaran
Manager
(PAN: ABGPP8374B)

Gaurav Jain
Director
(DIN: 02697278)

Sangeeta Pradhan
Company Secretary
(ACS No.: 13925)

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

	Note	2015-16	Amount in ₹ 2014-15
INCOME:			
Revenue from Operations	11	2 50 54 588	28 51 719
Other Income	12	4 67 990	2 58 012
Total Revenue		2 55 22 578	31 09 731
EXPENDITURE:			
Depreciation		7 80 30 810	3 51 23 462
Finance Cost		2 63 27 517	9 22 35 308
Other Expenditure		92 64 471	2 92 71 178
Total Expenses		11 36 22 798	15 66 29 948
Profit/(Loss) Before Tax		(8 81 00 220)	(15 35 20 217)
Less: Tax Expenses			
Current Tax		-	-
For earlier years		-	2 05 281
Profit/(Loss) After Tax		(8 81 00 220)	(15 37 25 498)
Earnings per equity share	15		
Face value ₹ 10/- each			
Basic		(8.81)	(15.37)
Diluted		(8.81)	(15.37)
Significant Accounting Policies			
Notes on Financial Statements	1 to 23		

As per our Report of even date

For **Chaturvedi & Shah**
Firm Registration No.: 101720W
Chartered Accountants

Jignesh Mehta
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Mumbai
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Gaurav Jain
Director
(DIN: 02697278)

Sangeeta Pradhan
Company Secretary
(ACS No.: 13925)

Cash Flow Statement for the year 2015-16

	Amount in ₹	
	2015-16	2014-15
A CASHFLOWFROMOPERATINGACTIVITIES		
Net (Loss)/Profit before tax as per Statement of Profit and Loss	(881 00 220)	(15 35 20 217)
Adjusted for:		
Depreciation	7 80 30 810	3 51 23 462
Interest Income	(4 67 990)	(2 58 012)
Finance Cost	2 63 27 517	9 22 35 308
	10 38 90 337	12 71 00 758
Operating (Loss)/Profit before Working Capital Changes	1 57 90 117	(2 64 19 459)
Adjusted for:		
Trade Receivables	(34 46 530)	(6 21 306)
Short Term Other Receivables	28 50 774	(31 24 059)
Other Long Term Liabilities	50 69 825	53 96 310
Other Current Liabilities	(4 47 40 331)	4 87 83 034
	(4 02 66 262)	5 04 33 979
Cash Generated from/(used in) Operations	(2 44 76 145)	2 40 14 520
Tax Paid (net)	(12 55 765)	7 25 94 998
Net Cash from/(used in) Operating Activities	(2 57 31 910)	9 66 09 518
B CASHFLOWFROMINVESTINGACTIVITIES		
Purchase of Fixed Assets	(131 36 15 755)	(186 11 24 958)
Movement in Security Deposit	(64 66 123)	55 90 200
Interest Income	4 67 990	2 58 012
Net Cash from/(used in) Investing Activities	(131 96 13 888)	(185 52 76 746)
C CASHFLOWFROMFINANCINGACTIVITIES		
Proceeds from Long Term Borrowings	136 85 50 000	188 85 00 000
Proceeds from issue of Debentures	121 88 00 000	123 60 00 000
Repayment of Long Term Borrowings	(114 78 00 000)	(114 56 00 000)
Interest paid	(9 48 58 837)	(103 33 43 680)
Net Cash Generated from/(used in) Financing Activities	134 46 91 163	175 87 56 320
Net Increase/(Decrease) in Cash and Cash Equivalents	(6 54 635)	89 092
Opening Balance of Cash and Cash Equivalents	13 48 777	12 59 685
Closing Balance of Cash and Cash Equivalents (Refer Note No. 9)	6 94 142	13 48 777

As per our Report of even date

For **Chaturvedi & Shah**
Firm Registration No.: 101720W
Chartered Accountants

Jignesh Mehta
Partner
Membership No.: 102749

Mumbai
Dated: 18th April, 2016

For and on behalf of the Board

Rajendra Kamath
Director
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Director
(DIN: 02697278)

Sangeeta Pradhan
Company Secretary
(ACS No.: 13925)

SIGNIFICANT ACCOUNTING POLICIES**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.

B Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles ('GAAP') requires judgement, estimates and assumptions to be made that affect the reported amount of assets and liabilities and the disclosure of contingent 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 Fixed Assets

Fixed Assets are stated at cost, less accumulated depreciation and impairment loss, if any.

Capital Work-in-progress is stated at the amount incurred upto the date of Balance Sheet.

D Depreciation and Amortisation

Depreciation on fixed assets is provided on straight line method at the rates derived in the manner prescribed in Schedule II to the Companies Act, 2013 over their useful life.

E Revenue Recognition

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from Operation includes License fees, rental income and service charges which are recognised based on contractual rights, adjusted for service tax. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

F Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies at the year end are restated at year end rates. Any income or expense on account of exchange difference on settlement is recognised in the Statement of Profit and Loss.

G Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit and Loss.

H Current Tax and Deferred Tax

Provision for Current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred Tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable or virtual certainty that the assets will be realized in future.

I Provision, Contingent Liabilities and Contingent assets

Provisions involving substantial degree of estimation in measurement are recognised 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 recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

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

		Amount in ₹	
		As at 31st March, 2016	As at 31st March, 2015
1. Share Capital			
Authorised Share Capital			
1 50 00 000 (1 50 00 000)	Class A Equity Shares of ₹ 10 each	15 00 00 000	15 00 00 000
30 00 000 (30 00 000)	Class B Equity Shares of ₹ 10 each	3 00 00 000	3 00 00 000
13 40 00 000 (13 40 00 000)	Non Cumulative Optionally Convertible Preference shares of ₹ 10 each	134 00 00 000	134 00 00 000
		152 00 00 000	152 00 00 000
Issued, Subscribed and Paid up:			
1 00 00 000 (1 00 00 000)	Class A Equity Shares of ₹10 each fully paid up	10 00 00 000	10 00 00 000
28 67 200 (28 67 200)	10% Non Cumulative Optionally Convertible Preference shares of ₹10 each fully paid up	2 86 72 000	2 86 72 000
TOTAL		12 86 72 000	12 86 72 000
1.1 The reconciliation of the number of shares outstanding is set out below:			
Particulars		As at 31st March, 2016	As at 31st March, 2015
<u>Equity Shares</u>			
Shares outstanding at the beginning of the year		1 00 00 000	1 00 00 000
Add: Shares Issued during the year		-	-
Shares outstanding at the end of the year		1 00 00 000	1 00 00 000
<u>Preference Shares</u>			
Shares outstanding at the beginning of the year		28 67 200	28 67 200
Add: Shares Issued during the year		-	-
Shares outstanding at the end of the year		28 67 200	28 67 200
1.2 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.			
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.			
1.3	Of the above Class A equity shares 1 00 00 000 (Previous year 1 00 00 000) are held by Reliance Commercial Land & Infrastructure Limited the Parent Holding Company.		
	All the above 28 67 200 fully paid Preference Shares (Previous year 28 67 200) are held by Reliance Industries Limited, the Ultimate Holding Company.		

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

Amount in ₹

1.4 The details of Shareholder holding more than 5% shares:

	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	% held	No. of Shares	% held
<u>Equity Shares</u>				
Reliance Commercial Land & Infrastructure Limited and its nominees	1 00 00 000	100	1 00 00 000	100
<u>Preference Shares</u>				
Reliance Industries Limited	28 67 200	100	28 67 200	100

1.5 The Company (issuer) & Preference-holder will have an option for early conversion at any time after allotment of the Preference Shares by giving one month notice to the Company. The conversion will be based on higher of book value or face value as at March 31, 2015. The equity shares arising out of conversion of the Preference Shares will rank pari passu in all respects with the then outstanding equity shares of the Company on the date of such conversion, except for dividend, which if declared, shall be paid on pro-rata basis from the date of allotment of such Equity Shares. The Company will settle the outstanding Preference Shares on expiry of 20 years.

1.6 Refer Note No. 3 on Option of Unissued share Capital.

Amount in ₹

2. Reserves and Surplus

	As at 31st March, 2016	As at 31st March, 2015
Securities Premium Account		
As per last Balance Sheet	1430 73 28 000	1430 73 28 000
Surplus		
Profit and Loss Account		
As per last Balance Sheet	(15 87 45 396)	(50 19 898)
Add: Transfer from Statement of Profit and Loss	(8 81 00 220)	(15 37 25 498)
	(24 68 45 616)	(15 87 45 396)
TOTAL	1406 04 82 384	1414 85 82 604

In view of the loss for the year, the company has not created the Debenture Redemption Reserve for a cumulative amount of ₹ 21 43 32 862 (Previous Year ₹ 28 19 858) in terms of section 71(4) of the Companies Act, 2013 and Rule 18(7) of the Companies (Share Capital and Debenture) Rules, 2014. The Company shall create the Debenture Redemption Reserve out of profits, if any, in the future years.

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

3. Long-Term Borrowings	Amount in ₹	
	As at 31st March, 2016	As at 31st March, 2015
Zero Coupon Unsecured Optionally Fully Convertible Debentures of ₹ 10 each.#	1357 88 00 000	1236 00 00 000
Unsecured Loans and Advances from Holding Company ##	27 59 50 000	5 52 00 000
TOTAL	1385 47 50 000	1241 52 00 000

The Company (issuer) & Debenture-holder will have an option for early conversion at any time after allotment of the OFCDs by giving one month notice to the Company. The conversion will be based on higher of book value or face value as at March 31, 2015. The equity shares arising out of conversion of the OFCDs will rank pari passu in all respects with the then outstanding equity shares of the Company on the date of such conversion, except for dividend, which if declared, shall be paid on pro-rata basis from the date of allotment of such Equity Shares. The Company will settle the outstanding OFCDs on expiry of 15 years. Since the OFCDs are unsecured, no security is required to be created.

Represent Loan from Reliance Commercial Land & Infrastructure Limited the holding company repayable in 2 years.

4. Other Long Term Liabilities	Amount in ₹	
	As at 31st March, 2016	As at 31st March, 2015
Deposits from Customers	1 36 79 641	86 09 816
TOTAL	1 36 79 641	86 09 816

5. Other Current Liabilities	Amount in ₹	
	As at 31st March, 2016	As at 31st March, 2015
Creditors for Capital Expenditure	10 70 68 284	15 57 74 281
Interest accrued but not due	2 36 94 765	9 22 26 085
Other Payables #	59 34 217	19 68 551
Total	13 66 97 266	24 99 68 917

Includes statutory liabilities

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

6. Tangible Assets

Amount in ₹

Description	Gross Block			Depreciation			Net Block	
	As at 01-04-2015	Additions	As at 31-03-2016	As at 01-04-2015	For the Year	Upto 31-03-2016	As at 31-03-2016	As at 31-03-2015
OWNASSETS								
Freehold Land	18862676172	24660502	18887336674	-		-	18887336674	18862676172
Building	1259487687	533791121	1793278808	77379677	27274512	104654189	1688624619	1182108010
Plant and Machinery	5463993	5399768	10863761	472510	1755107	2227617	8636144	4991483
Electrical Installations	217821899	128396001	346217900	12567668	31713378	44281046	301936854	205254231
Equipments	184484140	73715398	258199538	6684695	15678806	22363501	235836037	177799445
Furniture & Fixtures	13151348	5069628	18220976	785020	1609007	2394027	15826949	12366328
TOTAL	20543085239	771032418	21314117657	97889570	78030810	175920380	21138197277	20445195669
<i>Previous Year</i>	18659188769	1883896470	20543085239	62766108	35123462	97889570	20445195669	
<i>Capital Work-in-Progress *</i>							2006609666	1345112878

*Capital Work-in-Progress includes Capital Goods Inventory ₹ 11012493 (Previous year ₹ 4679350)

7. Long-Term Loans and Advances (Unsecured and considered good)

Amount in ₹

	As at 31st March, 2016	As at 31st March, 2015
Capital Advances	124 66 33 870	136 55 47 321
Security Deposits	378 67 05 752	378 02 39 629
TOTAL	503 33 39 622	514 57 86 950

8. Trade Receivables (Unsecured and considered good)

Amount in ₹

	As at 31st March, 2016	As at 31st March, 2015
Over Six Months	2 79 330	2 79 330
Others	40 67 836	6 21 306
TOTAL	43 47 166	9 00 636

9. Cash and Bank Balances

Amount in ₹

	As at 31st March, 2016	As at 31st March, 2015
Cash and cash equivalents		
Bank Balances:		
In current accounts	6 94 142	13 48 777
TOTAL	6 94 142	13 48 777

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

	Amount in ₹	
	As at 31st March, 2016	As at 31st March, 2015
10. Short-Term Loans and Advances		
(Unsecured and considered good)		
Advance Income Tax (Net of Provision)	1 04 58 107	92 02 342
Others Recoverable #	6 35 311	34 86 085
TOTAL	1 10 93 418	1 26 88 427
# Includes advances to vendors		
		Amount in ₹
11. Revenue from Operations	2015-16	2014-15
Renting of Immovable Properties	2 85 67 925	32 04 191
Less: Service Tax	35 13 337	3 52 472
TOTAL	2 50 54 588	28 51 719
		Amount in ₹
12. Other Income	2015-16	2014-15
Interest Income		
From Others	4 67 990	2 58 012
	4 67 990	2 58 012
TOTAL	4 67 990	2 58 012
		Amount in ₹
13. Finance Cost	2015-16	2014-15
Interest Expenses	2 63 27 517	9 22 35 308
TOTAL	2 63 27 517	9 22 35 308
		Amount in ₹
14. Other Expenditure	2015-16	2014-15
Electricity Expenses	-	4 430
Filing Fees	35 640	20 400
General Expenses	3 209	34 62 904
Sitting Fees - Directors	6 14 910	-
Donation	-	10 00 000
Bank Charges	10 395	3 133
Professional Fees*	84 81 349	31 48 619
Exchange Differences (net)	21 653	-
Rates and Taxes	26 325	2 15 81 130
Auditors' Remuneration		
Audit Fees	45 800	39 326
Tax Audit Fees	13 740	-
Certification Fees	11 450	11 236
	70 990	50 562
TOTAL	92 64 471	2 92 71 178

* Professional Fees include payment to Key Managerial Person ₹ 75 06 330 (Previous Year ₹ 10 48 884)

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

15. Earnings per share	2015-16	2014-15
Basic earnings per share (₹)	(8.81)	(15.373)
Numerator - Profit after tax (₹)	(8 81 00 220)	(15 37 25 498)
Denominator - Weighted average number of equity shares for Basic EPS	1 00 00 000	1 00 00 000
Denominator - Weighted average number of equity shares for Diluted EPS	271 03 69 317	144 36 00 000
Diluted earnings per share (₹)	(8.81)	(15.37)
Nominal value per equity share (₹)	10	10
Diluted EPS is same as Basic EPS, being antidilutive.		

16. The Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

17. Segment Reporting

The Company is primarily engaged in the business of real estate and development of commercial properties in India. All the activities of the Company revolve around this main business. Accordingly, the Company has only one identifiable segment reportable under Accounting Standard 17 "Segment Reporting".

18. 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 Commercial Land & Infrastructure Limited	Parent Holding Company
4	Reliance Jio Infocomm Limited	Fellow Subsidiary Companies
5	Reliance Retail Limited	Fellow Subsidiary Companies
6	Girish Parameswaran (Manager)	Key Managerial Person (KMP)

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

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

Amount in ₹

Sl. No.	Nature of Transaction	Ultimate Holding Company	Parent Holding Company	Fellow Subsidiaries Companies	KMP	Total
1	Loans Taken / (Repaid)	-	22 07 50 000 <i>(956 79 00 000)</i>	-	-	22 07 50 000 <i>(956 79 00 000)</i>
2	Loans converted into Deposit	-	-	-	-	-
			<i>(962 31 00 000)</i>			<i>(962 31 00 000)</i>
3	Deposit Taken / (Repaid)	-	-	-	-	-
4	Issue of Zero Coupon Unsecured Optionally Fully Convertible Debentures	121 88 00 000 <i>1236 00 00 000</i>	-	-	-	121 88 00 000 <i>1236 00 00 000</i>
5	Interest Expenses	-	2 63 27 517 <i>9 22 35 308</i>	-	-	2 63 27 517 <i>9 22 35 308</i>
6	Professional Fees	-	-	-	24 23 561 <i>6 01 672</i>	24 23 561 <i>6 01 672</i>
7	Purchase of Fixed Assets	-	-	6 38 858	-	6 38 858
		<i>72 994</i>				<i>72 994</i>
Balance as at 31st March, 2016						
1	Equity Share Capital	-	10 00 00 000 <i>10 00 00 000</i>	-	-	10 00 00 000 <i>10 00 00 000</i>
2	Preference Share Capital (including premium)	1433 60 00 000 <i>1433 60 00 000</i>	-	-	-	1433 60 00 000 <i>1433 60 00 000</i>
3	Loans Taken	-	27 59 50 000 <i>5 52 00 000</i>	-	-	27 59 50 000 <i>5 52 00 000</i>
4	Zero Coupon Unsecured Optionally Fully Convertible Debentures	1357 88 00 000 <i>1236 00 00 000</i>	-	-	-	1357 88 00 000 <i>1236 00 00 000</i>
5	Trade Receivable	-	-	2 79 330 <i>2 79 330</i>	-	2 79 330 <i>2 79 330</i>
6	Interest Payables	-	2 36 94 765 <i>9 22 26 085</i>	-	-	2 36 94 765 <i>9 22 26 085</i>
7	Other Current Liabilities	-	-	-	-	-
		<i>2 58 609</i>		<i>1 48 802</i>		<i>4 07 411</i>
8	Performance Guarantees taken	1 51 58 355 <i>1 39 51 091</i>	-	-	-	1 51 58 355 <i>1 39 51 091</i>

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

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

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

Particulars	Relationship	2015-16	2014-15
1 Loans Taken / (Repaid)			
Reliance Commercial Land & Infrastructure Limited	Parent Holding	136 85 50 000	188 85 00 000
Reliance Commercial Land & Infrastructure Limited	Parent Holding	(114 78 00 000)	(183 33 00 000)
2 Loans converted into Deposit			
Reliance Commercial Land & Infrastructure Limited	Parent Holding	-	(962 31 00 000)
3 Deposit Taken / (Repaid)			
Reliance Commercial Land & Infrastructure Limited	Parent Holding	-	962 31 00 000
Reliance Commercial Land & Infrastructure Limited	Parent Holding	-	(962 31 00 000)
4 Issue of Zero Coupon Unsecured Optionally Fully Convertible Debentures			
Reliance Industries Limited	Ultimate Holding Company	121 88 00 000	1236 00 00 000
5 Interest Expenses			
Reliance Commercial Land & Infrastructure Limited	Parent Holding	2 63 27 517	9 22 35 308
6 Professional Fees			
Girish Parameswaran	KMP	24 23 561	6 01 672
7 Purchase of Fixed Assets			
Reliance Industries Limited	Ultimate Holding Company	-	72 994
Reliance Retail Limited	Fellow Subsidiary Company	6 38 858	-

19. Lease

- Lease rental incomes are booked on the basis of agreed terms
- Assets are given on lease over a period of 1 year to 9 years.

20. The Company has not recognised deferred tax assets in accordance with Significant Accounting Policies under Note H.

Deferred Tax (assets)/ liabilities	Amount in ₹	
	As at 31st March, 2016	As at 31st March, 2015
Deferred Tax Assets		
Related to Business Loss	3 83 37 030	-
Related to fixed assets	5 43 59 397	3 38 77 622
Deferred Tax Asset	9 26 96 428	3 38 77 622

21. The Income-tax Assessment of the Company has been completed up to the Assessment Year 2013-14. The disputed demand for the Assessment Year 2010-11 is ₹ 51,87,290/- against which tax already paid is ₹ 51,87,290/-. Based on the interpretation of the relevant provisions, the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

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

	As at 31st March, 2016	Amount in ₹ As at 31st March, 2015
22. Additional Information		
A Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for:	148 11 97 592	252 87 37 999
B Contingent Liabilities		
Outstanding guarantees furnished to Banks and Financial Institutions	1 51 58 355	1 39 51 091
		Amount in ₹
23. Value of imports on CIF basis in respect of:	2015-16	2014-15
Capital Goods	5 39 87 435	1 60 38 631

As per our Report of even date

For **Chaturvedi & Shah**
Firm Registration No.: 101720W
Chartered Accountants

Jignesh Mehta
Partner
Membership No.: 102749

Mumbai
Dated: 18th April, 2016

For and on behalf of the Board

Rajendra Kamath
Director
(DIN: 01115052)

B. Chandrasekaran
Director
(DIN: 06670563)

Sumeet Goyal
CFO
(PAN: AGYPG8242J)

Saravanan Viswanathan
Director
(DIN: 05244819)

C. S. Gokhale
Director
(DIN: 00012666)

Girish Parameswaran
Manager
(PAN: ABGPP8374B)

Gaurav Jain
Director
(DIN: 02697278)

Sangeeta Pradhan
Company Secretary
(ACS No.: 13925)