

Reliance Ventures Limited

Independent Auditor's Report

To the Members of Reliance Ventures Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance Ventures 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 profit 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 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 Chaturvedi & Shah
Chartered Accountants
(Registration no. 101720W)

Amit Chaturvedi
Partner
Membership No.: 103141

Place : Mumbai
Date : April 20th , 2016

For Rajendra & Co.
Chartered Accountants
(Registration no. 108355W)

K.K.Desai
Partner
Membership No.: 100805

“Annexure A” to Independent Auditor’s 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) The provisions of section 186 of the Act, in respect of investments, loans, guarantee or security given are 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 by issue of debentures and hence clause (viii) of paragraph 3 of the Order is not applicable to the Company.
- ix) The money raised by company from term loans has been applied for the purpose for which they are raised.
- 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) Company has not paid any managerial remuneration during the year and hence clause (xi) of paragraph 3 of the Order is not applicable to the Company.
- 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) Based on information and explanation given to us, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and necessary registration has been obtained by the Company.

For **Chaturvedi & Shah**
Chartered Accountants
(Registration no. 101720W)

For **Rajendra & Co.**
Chartered Accountants
(Registration no. 108355W)

Amit Chaturvedi
Partner
Membership No.: 103141

K.K.Desai
Partner
Membership No.: 100805

Place : Mumbai
Date : April 20th , 2016

“Annexure B” to Independent Auditor’s 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 Ventures 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** For **Rajendra & Co.**

Chartered Accountants Chartered Accountants

(Registration no. 101720W) (Registration no. 108355W)

Amit Chaturvedi K.K.Desai

Partner Partner

Membership No.: 103141 Membership No.: 100805

Place : Mumbai

Date : April 20th , 2016

Balance Sheet as at 31st March, 2016

₹ in lac

	Note	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	2 69	2 69
Reserves and Surplus	2	2699 96	2584 52
		2702 65	2587 21
Current Liabilities			
Short Term Borrowings	3	105 27	247 60
Other Current Liabilities	4	53 74	60 85
Short Term Provisions	5	4 05	4 05
		163 06	312 50
TOTAL		2865 71	2899 71
ASSETS			
Non-Current Assets			
Non-Current Investments	6	1780 46	1773 19
Long Term Loans and Advances	7	169 95	537 10
		1950 41	2310 29
Current Assets			
Inventories	8	611 45	300 47
Trade receivables	9	88 57	-
Cash and Bank Balances	10	4 71	2 74
Short Term Loans and Advance	11	163 07	210 25
Other Current Assets	12	47 50	75 96
		915 30	589 42
TOTAL		2865 71	2899 71

Significant Accounting Policies

See accompanying Notes to the
Financial Statements

1 to 25

As per our Report of even date

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

Amit Chaturvedi
Partner
Membership No. 103141
Mumbai
Date: 20th April, 2016

For **Rajendra & Co.**
Firm Registration No: 108355W
Chartered Accountants

K.K. Desai
Partner
Membership No. 100805

For and on behalf of the Board

L.V. Merchant Chairman

K. Sethuraman**V. Srikanth****Dhiren Dalal****B Chandrasekaran**

Directors

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

	Note	2015-16	₹ in lac 2014-15
INCOME			
Revenue from Operations	13	201 48	264 48
Other Income	14	-	12
Total Revenue		201 48	264 60
EXPENDITURE			
Finance Cost	15	53 69	60 81
Other Expenses	16	3 98	2 55
Total Expenses		57 67	63 36
Profit before tax		143 81	201 24
Tax Expenses			
Current tax		28 20	39 75
Taxes for earlier years		17	-
Profit for the year		115 44	161 49
Earnings per equity shares of face value of ₹ 10 each			
Basic and Diluted (in ₹)	17	428.96	600.07
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1 to 25		

As per our Report of even date

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

Amit Chaturvedi
Partner
Membership No. 103141
Mumbai
Date: 20th April, 2016

For **Rajendra & Co.**
Firm Registration No: 108355W
Chartered Accountants

K.K. Desai
Partner
Membership No. 100805

For and on behalf of the Board

L.V. Merchant Chairman

K. Sethuraman

V. Srikanth

Dhiren Dalal

B Chandrasekaran

Directors

Cash Flow Statement for the year 2015-16

	2015-16	2014-15
₹ in lac		
A Cash Flow from Operating Activities		
Net Profit before tax as per Statement of Profit and Loss	143 81	201 24
Adjusted for:		
Interest expense	53 69	60 81
Interest income	(61 24)	(79 92)
Dividend income	(13 79)	(12 26)
Income from investment in venture fund	(10 51)	(24 76)
Profit / loss on sale of investments	(74 00)	(48 53)
	<u>(105 85)</u>	<u>(104 66)</u>
Operating Profit before working capital changes	37 96	96 58
Adjusted for:		
Trade and other receivables	(103 69)	(14 12)
Inventories	(310 98)	(91 24)
Trade and other payables	1	(7 43)
	<u>(414 66)</u>	<u>(112 79)</u>
Cash (used in) operations	(376 70)	(16 21)
Taxes paid	(28 03)	(40 06)
Net Cash (used in) operating activities	<u>(404 73)</u>	<u>(56 27)</u>
B Cash flow from Investing Activities		
Purchase of Investments	(344 57)	(1084 71)
Sale of Investments	397 53	642 23
Interest income	104 81	65 35
Dividend income	13 79	12 26
Income from venture fund	24 30	24 76
Movement in Loans	413 98	173 93
Net Cash from / (used in) Investing Activities	<u>609 84</u>	<u>(166 18)</u>
C Cash flow from financing Activities		
Loan from Holding Company	3499 55	3984 43
Loan repaid to Holding Company	(3641 88)	(3750 98)
Interest paid	(60 81)	(9 85)
Net Cash generated from / (used in) Financing Activities	<u>(203 14)</u>	<u>223 60</u>
Net Increase / (Decrease) in Cash and Cash Equivalents	1 97	1 15
Opening Balance of Cash and Cash Equivalents	2 74	1 59
Closing Balance of Cash and Cash Equivalents	<u><u>4 71</u></u>	<u><u>2 74</u></u>
(Refer Note no. 10)		

As per our Report of even date

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

Amit Chaturvedi
Partner
Membership No. 103141
Mumbai
Date: 20th April, 2016

For **Rajendra & Co.**
Firm Registration No: 108355W
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K.K. Desai
Partner
Membership No. 100805

For and on behalf of the Board

L.V. Merchant Chairman

K. Sethuraman

V. Srikanth

Dhiren Dalal

B Chandrasekaran

Directors

Significant Accounting Policies

a) **Basis of Preparation of Financial Statements**

The financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles in India and the provisions of the Accounting Standards notified under the relevant Companies Act, 2013.

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, 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.

c) **Revenue recognition**

The Company follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis. Dividend income is recognised when right to receive is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and interest rate applicable.

d) **Investments**

Current investments are carried at the lower of cost and quoted/fair value, computed category wise. Long term investments are carried at cost and provision for diminution in value is made only if such decline is other than temporary in the opinion of the management.

e) **Inventories**

Stock in Trade is valued at cost or market value / net asset value whichever is lower.

f) **Provision for Current and Deferred Tax**

Provision for current Income Tax is made on the taxable income under the Income Tax Act, 1961. Deferred tax arising on account of "timing difference" and which are capable of reversal in one or more subsequent periods, is recognised using the tax rates and tax laws that are enacted or substantively enacted. Deferred tax asset is recognised only to the extent there is virtual or reasonable certainty with respect to reversal of the same in future years as a matter of prudence.

g) **Provisions, 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.

h) **Derivative transactions**

In respect of derivative contracts, premium paid, gains / losses on settlement and losses on restatement are recognised in the Profit and Loss Account.

Notes on Financial Statement for the Year ended 31st March, 2016

		₹ in lac															
		As at 31st March, 2016	As at 31st March, 2015														
1	Share Capital																
	Authorised:																
	29,00,000 Equity Shares of ₹ 10 each (29,00,000)	2 90	2 90														
	10,00,000 Preference Shares of ₹ 1 each (10,00,000)	10	10														
		<u>3 00</u>	<u>3 00</u>														
	Issued, Subscribed and Paid up:																
	26,91,150 Equity Shares of ₹ 10 each fully paid up (26,91,150)	2 69	2 69														
		<u>2 69</u>	<u>2 69</u>														
	Note																
	a) Details of Share holders holding more than 5% shares																
		<table border="1"> <thead> <tr> <th rowspan="2">Name of the Shareholders</th> <th colspan="2">As at 31st March, 2016</th> <th colspan="2">As at 31st March, 2015</th> </tr> <tr> <th>No. of shares</th> <th>Held (%)</th> <th>No. of shares</th> <th>Held (%)</th> </tr> </thead> <tbody> <tr> <td>Reliance Industries Limited (Holding Company)</td> <td style="text-align: right;">26 91 150</td> <td style="text-align: right;">100.00</td> <td style="text-align: right;">26 91 150</td> <td style="text-align: right;">100.00</td> </tr> </tbody> </table>		Name of the Shareholders	As at 31st March, 2016		As at 31st March, 2015		No. of shares	Held (%)	No. of shares	Held (%)	Reliance Industries Limited (Holding Company)	26 91 150	100.00	26 91 150	100.00
Name of the Shareholders	As at 31st March, 2016		As at 31st March, 2015														
	No. of shares	Held (%)	No. of shares	Held (%)													
Reliance Industries Limited (Holding Company)	26 91 150	100.00	26 91 150	100.00													
	b) Reconciliation of Equity shares outstanding at the beginning and at the end of the year																
		<table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th>As at 31st March, 2016</th> <th>As at 31st March, 2015</th> </tr> <tr> <th>Nos.</th> <th>Nos.</th> </tr> </thead> <tbody> <tr> <td>Equity shares at the beginning of the year</td> <td style="text-align: right;">26 91 150</td> <td style="text-align: right;">26 91 150</td> </tr> <tr> <td>Add: Shares issued during the year</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Equity shares at the end of the year</td> <td style="text-align: right;"><u>26 91 150</u></td> <td style="text-align: right;"><u>26 91 150</u></td> </tr> </tbody> </table>		Particulars	As at 31st March, 2016	As at 31st March, 2015	Nos.	Nos.	Equity shares at the beginning of the year	26 91 150	26 91 150	Add: Shares issued during the year	-	-	Equity shares at the end of the year	<u>26 91 150</u>	<u>26 91 150</u>
Particulars	As at 31st March, 2016	As at 31st March, 2015															
	Nos.	Nos.															
Equity shares at the beginning of the year	26 91 150	26 91 150															
Add: Shares issued during the year	-	-															
Equity shares at the end of the year	<u>26 91 150</u>	<u>26 91 150</u>															
2	Reserves and Surplus																
	Capital Redemption Reserve																
	As per last Balance sheet	10	10														
	Securities Premium Reserve																
	As per last Balance sheet	2347 85	2347 85														
	Statutory Reserve Fund *																
	As per last Balance sheet	48 79	16 49														
	Add: Transferred from Profit and Loss account	23 15	32 30														
		<u>71 94</u>	48 79														
	Profit and Loss Account																
	As per last Balance Sheet	187 78	58 59														
	Add: Profit for the year	115 44	161 49														
		<u>303 22</u>	220 08														
	Appropriation:																
	Transferred to Statutory Reserve Fund	23 15	32 30														
		<u>280 07</u>	187 78														
		<u>2699 96</u>	<u>2584 52</u>														

* Created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934.

Notes on Financial Statement for the Year ended 31st March, 2016

		₹ in lac	
		As at 31st March, 2016	As at 31st March, 2015
3	Short Term Borrowings		
	Unsecured Loans		
	Loans from Holding Company	105 27	247 60
		<u>105 27</u>	<u>247 60</u>
4	Other Current Liabilities		
	Interest accrued and not due, to the Holding Company	48 32	54 73
	Others payables **	5 42	6 12
		<u>53 74</u>	<u>60 85</u>
	** Includes statutory dues, and provision for revenue expenditure		
5	Short Term Provisions		
	Contingent provision against standard asset #	4 05	4 05
		<u>4 05</u>	<u>4 05</u>
	# Created pursuant to Section 45JA of the Reserve Bank of India Act, 1934 and Para 10of Prudential Norms, 2015. Provision required ₹ 99 lacs (previous year ₹ 186 lacs)		
6	Non-Current Investments (Long Term Investments) (Valued at Cost less other than temporary diminution in value, if any)		
	Other Investments		
	(A) Quoted		
	In Equity Shares - fully paid up		
	2,771,717 (36,58,400) HDFC Limited of ₹ 2 each	193 02	240 77
	4,61,520 (4,61,520) Den Networks Limited of ₹ 10 each	4 45	4 45
	11,61,240 (—) Vascon Engineers Limited of ₹ 10 each	2 27	-
		<u>199 74</u>	<u>245 22</u>
	In Warrants - fully paid up		
	15,11,100 (—) HDFC Limited	27 01	-

Notes on Financial Statement for the Year ended 31st March, 2016

₹ in lac

6 Non-Current Investments (Continued)	As at 31st March, 2016	As at 31st March, 2015
In Non Convertible Debentures (NCD) - fully paid up		
2,250 HDB Financial Services Limited (2,250) - 0% Secured Redeemable NCD of ₹ 1000000 each	225 00	225 00
3,000 Indiabulls Housing Finance Limited (3,000) - 0% Secured Redeemable NCD of ₹1000000 each	300 00	300 00
1,252 Kotak Mahindra Prime Limited (1,252) - 0% Secured Redeemable NCD of ₹ 1000000 each	99 98	99 98
— Citicorp Finance (India) Limited (22,505) - 0% Secured Redeemable NCD Series 534 of ₹ 100000 each	-	225 05
1,250 Citicorp Finance (India) Limited (—) - 0% Secured Redeemable NCD Series 570 A of ₹ 1000000 each	125 00	-
5,000 Citicorp Finance (India) Limited (—) - 0% Secured Redeemable NCD Series 575 Tranche 5 of ₹ 100000 each	50 00	-
	<u>799 98</u>	<u>850 03</u>
Total (A)	<u>1026 73</u>	<u>1095 25</u>
(B) Unquoted		
In Equity Shares of Subsidiary company - fully paid up		
9,70,00,000 Model Economic Township Limited (50,000) of ₹ 10 each	97 00	5
In Venture fund - fully paid up		
92,435 HDFC India Real Estate Fund (2,73,770) of ₹ 1000 each	10 08	29 33
21,600 Urban Infrastructure Opportunities (21,600) Fund of ₹ 79930 each (previous year ₹ 86160 each)	175 21	188 86
50,000 JM Financial Property Fund - I (50,000) of ₹ 5961.07 each (previous year ₹ 6432.82 each)	29 81	32 17
26,66,290 Faering Capital India Evolving (27,10,745) Fund of ₹ 1000 each	266 63	271 08
17,50,000 KKR India Debt Fund I or ₹ 1000 (15,64,500) each	175 00	156 45
	<u>656 73</u>	<u>677 89</u>
Total (B)	<u>753 73</u>	<u>677 94</u>
Total (A+B)	<u>1780 46</u>	<u>1773 19</u>
Aggregate amount of quoted investments	1026 73	1095 25
Market Value of quoted investments	1247 56	1392 57
Aggregate amount of unquoted investments	753 73	677 94

Notes on Financial Statement for the Year ended 31st March, 2016

	As at 31st March, 2016	₹ in lac As at 31st March, 2015
7 Long Term Loans and Advances (Unsecured and considered good)		
Loan to others *	169 95	537 10
	<u>169 95</u>	<u>537 10</u>
* Refer note no. 22		
8 Inventories		
Stock-in-trade	611 45	300 47
	<u>611 45</u>	<u>300 47</u>
9 Trade Receivables (Unsecured and Considered Good)		
Outstanding for a period exceeding six months	-	-
Others	88 57	-
	<u>88 57</u>	<u>-</u>
10 Cash and Bank balances		
Cash and cash equivalents	-	-
Bank Balances		
In current accounts	4 71	2 74
	<u>4 71</u>	<u>2 74</u>
11 Short Term Loans and Advances (Unsecured and considered good)		
Loan to others	161 37	208 20
Advance payment of taxes	1 70	2 05
	<u>163 07</u>	<u>210 25</u>
12 Other Current Assets		
Interest receivable	10 28	53 85
Dividend receivable	83	-
Income receivable from Venture funds	36 39	22 11
	<u>47 50</u>	<u>75 96</u>

Notes on Financial Statement for the Year ended 31st March, 2016

	2015-16	2014-15	₹ in lac
13 Revenue from Operations			
Interest on loans	40 02		62 56
Income from Long term investments			
Income from investment in venture funds	10 51	24 76	
Dividend on investments	5 59	7 38	
Dividend from venture fund	3 84	2 10	
Interest on investments	21 22	8 88	
Profit on sale of investments	74 00	48 53	
	<u>115 16</u>		91 65
Income from Current investments			
Interest on investments	-		8 48
Income from trading in shares / securities (Refer Note no. 24)			
Dividend on stock in trade	4 36	2 78	
Profit on trading in shares / securities	42 02	98 57	
	<u>46 38</u>		101 35
Profit / (Loss) on F&O dealings	(8)		44
	<u><u>201 48</u></u>		<u><u>264 48</u></u>
14 Other Income	2015-16		₹ in lac 2014-15
Interest others	-		12
	<u>-</u>		<u>12</u>
	<u><u>-</u></u>		<u><u>12</u></u>
15 Finance Cost	2015-16		₹ in lac 2014-15
Interest on Loans	53 69		60 81
	<u>53 69</u>		<u>60 81</u>
	<u><u>53 69</u></u>		<u><u>60 81</u></u>

Notes on Financial Statement for the Year ended 31st March, 2016

16 Other Expenses	₹ in lac	
	2015-16	2014-15
Auditors remuneration		
Statutory audit fees	3	3
Tax audit fees	1	1
Certification fees (₹ 5725/-, previous year ₹ NIL)	0	-
	<u>4</u>	<u>4</u>
Professional fees	2	1
Brokerage	31	24
Securities transaction tax	1 81	1 85
Demat/Custodian charges (₹ 4745/-, previous year ₹ 8878/-)	0	0
Filing fees (₹ 7200/-, previous year ₹ 15500/-)	0	0
Directors sitting fees (previous year ₹ 29000/-)	8	0
Charity and donations *	1 70	40
General expenses	2	1
	<u>3 98</u>	<u>2 55</u>

* Expenditure related to Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof

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 ₹ 165 lacs (previous year ₹ 37 lacs).

b) Expenditure related to CSR is ₹ 170 lacs (previous year ₹ 40 lacs).

Particulars	₹ in lac	
	2015-16	2014-15
Rural Transformation	1 04	-
Education	66	40
Total	<u>1 70</u>	<u>40</u>

17 Earnings per share (EPS)	2015-16	2014-15
Net Profit after Tax as per Statement of Profit and Loss Account attributable to Equity Shareholders (₹ in lac)	115 44	161 49
Weighted average number of equity shares used as denominator for calculating EPS	26 91 150	26 91 150
Basic, as well as diluted earnings per equity share (₹)	428.96	600.07
Face value per equity share (₹)	10	10

18 The Previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.

19 The Company has no deferred tax assets or liabilities in accordance with Note (e) of Significant Accounting Policies.

Notes on Financial Statement for the Year ended 31st March, 2016

20 Contingent Liabilities and Commitments

	As at 31st March, 2016 ₹ in lac	As at 31st March, 2015 ₹ in lac
i) Commitments towards venture fund units	19 01	37 56
ii) Bond executed in favour of Central Excise (for the Holding Company)	400 00	400 00

21 Segment Reporting

The Company is engaged in business of Financing and Investments in shares and securities and there are no separate business / geographical segments as per Accounting Standard - 17 "Segment Reporting".

22 Disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

a) Loans and advances in the nature of loans

(₹ in lac)

Sr. No.	Name of the Company		As at 31st March, 2016	Maximum balance during the year	As at 31st March, 2015	Maximum balance during the year
1	Reliance Commercial Trading Private Limited		5 95	14 15	11 88	11 88
2	Reliance Commercial Dealers Limited		150 00	150 00	-	315 15
3	Jewels Buildcon Private Limited		22 00	30	30 00	32 00
4	Shinano Retail Private Limited		-	349 97	349 97	349 97
5	Nexg Ventures India Private Limited		153 25	153 25	153 25	153 25
6	Reliance Petro Distribution Limited		12	12	-	-
7	JM Financial Products Limited	Others	-	25 00	25 00	25 00
8	Raghuleela Builders Private Limited		-	175 00	175 00	175 00
9	Reliance Global Trading Private Limited		-	20	20	36
10	Wadhwa Construction & Infrastructure Private Limited		-	-	-	125 00
11	Logix Realtech Private Limited		-	-	-	70 00
12	Devaryaa Hospitalities Private Limited		-	-	-	30 00
13	Indo Global Soft Solutions & Technologies Private Limited		-	-	-	95 00

Loans and advances shown above to others are towards business purpose,

- under item nos. 1 & 2 are long term zero coupon optionally convertible loans
- under item no. 3 is interest bearing long term loan repayable quarterly wef 31st March, 2015 in sixteen equal instalments
- under item no. 4 is long term zero coupon optionally convertible loan, now repaid
- under item no. 5 & 6 are short term interest bearing loans
- under item no. 7 & 8 are short term interest bearing loans, now repaid
- under item no. 9 is short term interest free loan, now repaid

b) Investment by the loanee in the shares of the Company is NIL

Notes on Financial Statement for the Year ended 31st March, 2016

23 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	Holding Company
2	Model Economic Township Limited	Subsidiary Companies
3	Resolute Land Consortium Projects Limited (upto 28th February, 2016)	
4	Bhagyashri Mercantile Private Limited *	
5	Chitrani Mercantile Private Limited *	
6	Gopesh Commercials Private Limited *	
7	Nemita Commercials Private Limited *	
8	Nisarga Commercials Private Limited *	
9	Prakruti Commercials Private Limited *	
10	Vijayant Commercials Private Limited *	

* Amalgamated with Model Economic Township Limited w.e.f 4th May, 2015

ii) Transactions during the year with related parties:

(₹ in lac)

Nature of Transaction	Holding Company	Subsidiary Companies	Fellow Subsidiaries	Total
1 Loans taken / (repaid) (net)	(142 33) <i>233 45</i>	-	-	(142 33) <i>233 45</i>
2 Purchase / Subscription to Investments	-	96 95	-	96 95
3 Interest expense	53 69 <i>60 81</i>	-	-	53 69 <i>60 81</i>
Balance as on 31st March, 2016				
4 Equity share capital (including premium)	2350 55 <i>2350 55</i>	-	-	2350 55 <i>2350 55</i>
5 Loan taken	105 27 <i>247 60</i>	-	-	105 27 <i>247 60</i>
6 Interest accrued and due	48 32 <i>54 73</i>	-	-	48 32 <i>54 73</i>
7 Investments	-	97 00 <i>5</i>	-	97 00 <i>5</i>

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

Notes on Financial Statement for the Year ended 31st March, 2016

23 Related Party (Contd..)

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

Particulars	Relationship	2015-16 (₹ in lac)	2014-15 (₹ in lac)
1 Loans taken / (repaid) (net)			
Reliance Industries Limited	Holding Company	(142 33)	233 45
2 Purchase / Subscription to Investments			
Model Economic Township Limited	Subsidiary Company	96 95	-
3 Interest expense			
Reliance Industries Limited	Holding Company	53 69	60 81

24 Details of income from trading in shares / securities

	Unit	As at 31st March, 2016		As at 31st March, 2015	
		Quantity	Value (₹ in lac)	Quantity	Value (₹ in lac)
Opening Stock					
- Equity Shares	Nos.	3948090	300 47	10144496	209 23
- Mutual Fund	Nos.	-	-	-	-
			<u>300 47</u>		<u>209 23</u>
Purchases					
- Equity Shares	Nos.	16939197	834 94	15696318	868 35
- Mutual Fund	Nos.	83463626	2521 35	314765168	2452 00
			<u>3356 29</u>		<u>3320 35</u>
Sales / Redemption					
- Equity Shares	Nos.	15773409	803 75	21892724	852 11
- Mutual Fund	Nos.	70769676	2283 58	314765168	2475 58
			<u>3087 33</u>		<u>3327 68</u>
Closing Stock					
- Equity Shares	Nos.	5113878	339 28	3948090	300 47
- Mutual Fund	Nos.	12693950	272 17	-	-
			<u>611 45</u>		<u>300 47</u>
			<u>42 02</u>		<u>98 57</u>

Notes on Financial Statement for the Year ended 31st March, 2016

25 NBFC Disclosures

25.1 Disclosures of details as required by Paragraph 11 and 13 of Systemically Important Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, are given to the extent applicable.

		(₹ in lac)	
Liabilities side		Amount outstanding	Amount overdue
I	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid		
a)	Inter-corporate loans and borrowing	153 59	NIL

		(₹ in lac)	
Assets side		Amount Outstanding	
II	Break-up of Loans and Advances including bills receivables (other than those included in (IV) below)		
	Unsecured		467 39
III	Break up of Leased Assets and Stock on hire and other assets counting towards AFC activities		NIL
IV	Break-up of Investments		
	Current Investments (Incl. Stock-in-trade)		
1.	Quoted		
i)	Shares: Equity		339 28
ii)	Debentures		-
2.	Unquoted		
i)	Units of Mutual Fund		272 17
	Long Term investments		
1.	Quoted		
i)	Shares: Equity		199 74
ii)	Warrants		27 01
iii)	Debentures		799 98
2.	Unquoted		
i)	Shares: Equity		97 00
ii)	Units of venture funds		656 73

V Borrower group-wise classification of assets financed as in (II) and (III) above:

Category	Secured	Amount net of provision		Total
		Secured	Unsecured	
1. Related Parties				
i) Subsidiaries	NIL	NIL		NIL
ii) Companies in same group	NIL	NIL		NIL
2. Other than related parties	NIL	467 39		467 39
Total	NIL	467 39		467 39

Notes on Financial Statement for the Year ended 31st March, 2016

VI Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)		
Category	Market value/Break up or fair value or NAV	Book value (net of provisions)
1. Related Parties		
i) Subsidiary company	97 00	97 00
ii) Other related parties	NIL	NIL
2. Other than related parties	2538 06	2294 91
Total	2635 06	2391 91
VII Other information		Amount
Particulars		
1. Gross Non-Performing Assets		NIL
2. Net Non-Performing Assets		NIL
3. Assets acquired in satisfaction of debt		NIL
25.2 1. Capital to Risk Assets Ratio (CRAR)	As at 31st March, 2016 (%)	As at 31st March, 2015 (%)
i) CRAR	82.04	82.72
ii) CRAR - Tier I Capital	81.92	82.59
iii) CRAR - Tier II Capital	0.12	0.13
2. Exposure to Real Estate Sector		(₹ in lac)
	As at 31st March, 2016	As at 31st March, 2015
Category		
a) Direct exposure		
i) Residential Mortgages	NIL	NIL
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹.15 lakh may be shown separately)		
ii) Commercial Real Estate	NIL	NIL
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential building, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;		
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
– Residential	NIL	NIL
– Commercial Real Estate	NIL	NIL
b) Indirect Exposure *	757 13	791 13
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		

* Loan / Investment in Property Venture Funds / Debentures / Equity shares & warrants of HDFC Limited

Notes on Financial Statement for the Year ended 31st March, 2016

3. Asset Liability Management - maturity pattern of certain items of assets and liabilities (₹ in lac)									
	1 day to 30/ 31 days one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from Banks	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Market Borrowings	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Assets									
Advances	252 93	NIL	2 12	2 00	40 39	14 00	5 95	150 00	467 39
Investments	NIL	NIL	611 45	NIL	110 06	1398 40	175 00	97 00	2391 91
25.3 a) Disclosure pursuant to Circular No. DNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated March 02, 2012 on Monitoring of frauds, the frauds detected and reported for the year amounted to ? Nil (Previous year ? Nil).									
b) Assets De-recognised ₹ in lac									
Securitisation									NIL
c) Disclosure of Restructured Assets NIL									
25.4 Disclosures under Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015									
a) Capital									
						As at			As at
						31st March, 2016	31st March, 2015		
i)	CRAR (%)					82.04			82.72
ii)	CRAR – Tier I Capital (%)					81.92			82.59
iii)	CRAR – Tier II Capital (%)					0.12			0.13
iv)	Amount of subordinated debt raised as Tier-II capital (?)					NIL			NIL
v)	Amount raised by issue of Perpetual Debt instruments (?)					NIL			NIL
₹ in lac									
						As at			As at
						31st March, 2016	31st March, 2015		
b) Investments (Incl. Stock- in-Trade)									
i) Value of Investments									
(a) Gross Value of Investments									
i) In India						2391 91			2073 66
ii) Outside India						NIL			NIL
(b) Provision for Depreciation									
i) In India						NIL			NIL
ii) Outside India						NIL			NIL
(c) Net Value of Investments									
i) In India						2391 91			2073 66
ii) Outside India						NIL			NIL
iii) Movement of provisions held towards depreciation on investments						NIL			NIL

Notes on Financial Statement for the Year ended 31st March, 2016

	As at 31st March, 2016	₹ in lac As at 31st March, 2015
c) Derivatives: Forward Rate Agreement / Interest Rate Swap	NIL	NIL
d) Exchange Traded Interest Rate (IR) Derivatives	NIL	NIL
e) Disclosures on Risk Exposure in Derivatives		
i) Qualitative Disclosure	NIL	NIL
ii) Quantitative Disclosures	NIL	NIL
f) Securitisation	NIL	NIL
g) Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction	NIL	NIL
h) Assignment transactions	NIL	NIL
i) Non-Performing Financial Assets Purchased	NIL	NIL
j) Non-Performing Financial Assets Sold	NIL	NIL
k) Exposure to Real Estate Sector - Refer 25 (2)(2)		
l) Exposure to Capital Market		
i) Investment in quoted equity shares and debentures	1366 01	1395 72
ii) Exposure to Venture Capital Funds	656 73	677 89
	<u>2022 74</u>	<u>2073 61</u>
m) Provisions and Contingencies - Refer note: 5 & 20	423 06	441 61
		₹ in lac As at 31st March, 2016
n) Details of financing of parent company products		NIL
o) Details of Single Borrower Limit / Group Borrower Limit exceeded		NIL
p) Unsecured Advances Total amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. has been taken as also the estimated value of such intangible collateral		NIL
q) Registration obtained from other financial sector regulators		NIL
r) Penalties imposed by RBI and other regulators		NIL
s) Ratings assigned by credit rating agencies and migration of ratings during the year		NIL
t) Remuneration of Directors and Transactions with non executive directors (Directors sitting fees)		8
u) Impact of prior period items on current year's profit and loss		NIL
v) Revenue recognition has been postponed:		NIL
w) Accounting Standard 21 - Consolidated Financial Statements (CFS)		Yes
x) Country of Operation is whole of India and there are no joint venture partners and Overseas Subsidiaries of the Companies		

Notes on Financial Statement for the Year ended 31st March, 2016

25.4 NBFC Disclosures (contd..)

	₹ in lac As at 31st March, 2016
y) Draw Down from Reserves	NIL
z) Concentration of Deposits, Advances, Exposures and NPAs	
aa) Concentration of Deposits	NIL
ab) Concentration of Advances	
Total Advances to twenty largest borrowers	341 60
Percentage of Advances to twenty largest borrowers to total advances	100
ac) Concentration of Exposure	
Total exposure to twenty largest borrowers / customers	341 60
Percentage of exposures to twenty largest borrowers / customers to total exposure	100
ad) Concentration of NPAs	NIL
ae) Sector-wise NPAs	NIL
af) Movement of NPAs	NIL
ag) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)	NIL
ah) Off-balance Sheet SPVs sponsored	NIL
ai) Customer Complaints	NIL
aj) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities - Refer note: 25(2)(3)	

As per our Report of even date

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

Amit Chaturvedi
Partner
Membership No. 103141
Mumbai
Date: 20th April, 2016

For Rajendra & Co.
Firm Registration No: 108355W
Chartered Accountants

K.K. Desai
Partner
Membership No. 100805

For and on behalf of the Board

L.V. Merchant Chairman

K. Sethuraman

V. Srikanth

Dhiren Dalal

B Chandrasekaran

Directors