

Reliance Energy and Project Development Limited

Independent Auditor's Report

To the Members of Reliance Energy and Project Development Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance Energy and Project Development 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 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: 19th 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) In our opinion and according to the information and explanations given to us, no amounts were due for repayment to debenture holders, the 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) 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: 19th 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 Energy and Project Development 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 **Pathak H.D & Associates**
Chartered Accountants
(Firm Registration no. 107783W)

Saurabh Pamecha
Partner
Membership No.: 126551

Mumbai
Date: 19th April, 2016

Balance Sheet as at 31st March, 2016

	Note	As at	
		31st March, 2016	31st March, 2015
		₹	₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	1 00 92 800	1 00 92 800
Reserves and Surplus	2	951 72 60 154	951 79 13 711
		952 73 52 954	952 80 06 511
Non-Current Liabilities			
Long Term Borrowings	3	303 31 00 000	303 25 00 000
Current Liabilities			
Other Current Liabilities	4	18 30 951	18 27 259
TOTAL		1256 22 83 905	1256 23 33 770
ASSETS			
Non-Current Assets			
Non-Current Investments	5	1255 98 85 914	1255 98 85 914
Current Assets			
Cash and Bank Balances	6	75 651	1 25 516
Other Current Assets	7	23 22 340	23 22 340
		23 97 991	24 47 856
TOTAL		1256 22 83 905	1256 23 33 770
Significant Accounting Policies			
Notes on Financial Statements	1 to 14		

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

KVVS Murthy
Director

Rohit C. Shah
Director

Dhiren V. Dalal
Director

S Rajagopal
Director

Shivkumar R Bhardwaj
Director

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

	Note	2015-16 ₹	2014-15 ₹
INCOME			
Revenue from Operations	8	1 96 612	1 97 993
Other Income		765	-
Total Revenue		1 97 377	1 97 993
EXPENDITURE			
Purchases of Stock-in-Trade		1 95 917	1 97 441
Other Expenses	9	6 37 462	44 688
Total Expenses		8 33 379	2 42 129
Loss before tax		(6 36 002)	(44 136)
Current tax		-	-
Taxes for earlier years		17 555	-
Loss for the year		(6 53 557)	(44 136)
Earnings per equity shares of face value of ₹ 10 each	10		
Basic (in ₹)		(0.65)	(0.04)
Diluted (in ₹)		(0.65)	(0.04)
Significant Accounting Policies			
Notes on Financial Statements	1 to 14		

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

KVVS Murthy
Director

Rohit C. Shah
Director

Dhiren V. Dalal
Director

S Rajagopal
Director

Shivkumar R Bhardwaj
Director

Cash Flow Statement for the year 2015-16

	₹	2015-16 ₹	₹	2014-15 ₹
A Cash Flow from Operating Activities				
Net Loss before tax as per Profit and Loss Statement		(6 36 002)		(44 136)
Adjusted for:		-		-
Operating Loss before Working Capital Changes		(6 36 002)		(44 136)
Adjusted for:				
Trade and other payables	3 692		(3 933)	
		3 692		(3 933)
Cash (used in) from Operations		(6 32 310)		(48 069)
Taxes paid (net)		(17 555)		-
Net Cash (used in) Operating Activities		(6 49 865)		(48 069)
B Cash Flow from Investing Activities				
Net Cash from Investing Activities		-		-
C Cash Flow from Financing Activities				
Proceeds from Long Term Borrowings		6 00 000		-
Net Cash Generated from Financing Activities		6 00 000		-
Net (Decrease) in Cash and Cash Equivalents		(49 865)		(48 069)
Opening Balance of Cash and Cash Equivalents		1 25 516		1 73 585
Closing Balance of Cash and Cash Equivalents		75 651		1 25 516
(Refer Note No. 6)				

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

KVVS Murthy

Director

Rohit C. Shah

Director

Dhiren V. Dalal

Director

S Rajagopal

Director

Shivkumar R Bhardwaj

Director

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.

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.

E. Investments

Investments that are readily realisable and intended to be held for not more than 12 months from the date of acquisition are classified as current investment. All other investments are classified as non-current 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. 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.

G. 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 ₹
Authorised:		
10,30,000 Equity Shares of ₹10 each (10,30,000)	1 03 00 000	1 03 00 000
1,000 Preference Shares of ₹ 100 each (1,000)	1 00 000	1 00 000
15,00,000 Preference Shares of ₹ 10 each (15,00,000)	1 50 00 000	1 50 00 000
10,000 Unclassified Shares of ₹ 10 each (10,000)	1 00 000	1 00 000
	2 55 00 000	2 55 00 000
Issued, Subscribed and Paid up:		
10,09,280 Equity Shares of ₹ 10 each fully paid up (10,09,280)	1 00 92 800	1 00 92 800
	1 00 92 800	1 00 92 800

Note:

- 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 Limited (Holding Co.)	10 09 280	100.00	10 09 280	100.00

- b) Reconciliation of shares outstanding is set out below:

	As at 31st March, 2016		As at 31st March, 2015	
	Equity Nos.	Preference Nos.	Equity Nos.	Preference Nos.
Shares at the beginning of the year	10 09 280	-	10 09 280	-
Add: Shares issued during the year	-	-	-	-
Shares at the end of the year	10 09 280	-	10 09 280	-

- c) No bonus shares issued in the last five years.
- d) Refer Note 3 in respect of option on unissued share capital.

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

2 Reserves and Surplus	As at 31st March, 2016		As at 31st March, 2015	
	₹	₹	₹	₹
Capital Redemption Reserve				
As per last Balance Sheet		62 27 400		62 27 400
Surplus in Profit and Loss Account				
As per last Balance Sheet	951 16 86 311		951 17 30 447	
Less: Loss for the year	(6 53 557)		(44 136)	
		<u>951 10 32 754</u>		<u>951 16 86 311</u>
		<u>951 72 60 154</u>		<u>951 79 13 711</u>

Note:

In view of the loss for the year, the company has not created the Debenture Redemption Reserve for ₹ 15 22 062 (Previous Year ₹ Nil) 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.

3 Non-current Liabilities	As at 31st March, 2016		As at 31st March, 2015	
	₹	₹	₹	₹
Long Term Borrowings				
@Unsecured loans from the holding company		-		303 25 00 000
Zero Coupon Unsecured Optionally Convertible Debentures		303 25 00 000		-
Unsecured Zero Coupon Optionally Convertible Loan		6 00 000		-
		<u>303 31 00 000</u>		<u>303 25 00 000</u>

@ During the year, Unsecured Loan from the holding company has been converted into “Zero Coupon Unsecured Optionally Convertible Debentures”.

Notes:

- The Zero Coupon Unsecured Optionally Convertible Debentures from Reliance Industrial Investments and Holdings Limited (the holding Company) is redeemable at the end of fifteen years from the date of allotment i.e. 21-03-2016. The Company (Issuer) may redeem the outstanding OFCDs on any date after expiry of 30 days from the date of allotment of the OFCDs. The Company (Issuer) and the debenture holder may mutually agree for early conversion of the outstanding debentures at any time after allotment by giving one month notice to the Company on higher of book value [₹ 9440.40 per share] or face value [₹ 10/- per share] as at March 31, 2015).
- The Zero Coupon Optionally Convertible Loan from Reliance Strategic Investments Limited (a fellow subsidiary) is convertible at the option of the Borrower at any time after allotment on face value ₹ 10/- per share. The outstanding amount of Loan, if not opted for conversion shall be repayable, at the end of 10 years from the date of first disbursement i.e. 05-06.2015 or such other period as may be mutually agreed between the Borrower and the Lender.

4 Other Current Liabilities	As at 31st March, 2016		As at 31st March, 2015	
	₹	₹	₹	₹
Others payables - for expenses		18 30 951		18 27 259
		<u>18 30 951</u>		<u>18 27 259</u>

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

5 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		
Quoted, fully paid up In Equity shares of Ultimate Holding Company		
20,58,000 Reliance Industries Limited of ₹ 10 each (20,58,000)	81 38 85 914	81 38 85 914
Unquoted, fully paid up In Preference shares - Fellow Subsidiary Company		
@ - 10% Non-Cumulative Redeemable (1,17,46,000) Preference Shares of Reliance Polyolefins Limited of ₹ 10 each	-	1174 60 00 000
1,17,46,000 10% Non-Cumulative Optionally (-) Convertible Preference shares of Reliance Polyolefins Limited of ₹ 10 each	1174 60 00 000	-
	<u>1255 98 85 914</u>	<u>1255 98 85 914</u>
Aggregate amount of quoted investments	81 38 85 914	81 38 85 914
Market Value of quoted investments	215 10 21 600	191 54 83 500
Aggregate amount of unquoted investments	1174 60 00 000	1174 60 00 000
@ During the year, the terms have been changed from "Non-Cumulative Redeemable Preference Shares" to "Non-Cumulative Optionally-Convertible Preference Shares".		
6 Cash and Bank Balances	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
Cash and cash equivalents		
Balance with Bank in current account	75 651	1 25 516
	<u>75 651</u>	<u>1 25 516</u>
7 Other Current Assets	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
Advance payment of taxes	23 22 340	23 22 340
	<u>23 22 340</u>	<u>23 22 340</u>

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

8 Revenue from Operations	2015-16	2014-15
	₹	₹
Sale of Fabrics	1 96 612	1 97 993
	1 96 612	1 97 993
9 Other Expenses	2015-16	2014-15
	₹	₹
Audit fees	17 175	13 483
Professional fees	5 725	15 500
Filing fees	6 000	6 600
Demat / Custodian charges	899	2 123
Charities and Donations	-	2 000
Professional Tax	2 500	2 500
Directors Sitting Fees	6 03 592	-
General expenses	1 571	2 482
	6 37 462	44 688
10 Earnings per Share	2015-16	2014-15
a) Net Profit after Tax as per Profit and Loss Statement attributable to Equity Shareholders (₹)	(6 53 557)	(44 136)
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	10 09 280	10 09 280
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	10 20 738	10 09 280
Basic Earnings per share (₹)	(0.65)	(0.04)
Diluted Earnings per share (₹)	(0.65)	(0.04)
Face Value per Equity Share (₹)	10	10
b) Diluted earnings per share is same as basic earnings per share, since potential equity shares are antidilutive.		
11 The Previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year presentation.		
12 a) The Company has no deferred tax assets or liabilities in accordance with Note. F 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. 5)		
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

13 Segment Reporting

The Company has identified two reportable segments viz. Finance & Investments and Trading. Segments have been identified and reported taking into account nature of activities, the differing risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the company with following additional policies for segment reporting.

- a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
 - b) Segment assets and segment liabilities represent assets and liabilities in respective segments.
- i) Primary Segment Information

Sr. No.	Particulars	Finance & Investments		Trading		Unallocable		Total	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
		₹	₹	₹	₹	₹	₹	₹	₹
1	Segment Revenue								
	External Turnover	-	-	1 96 612	197993	-	-	1 96 612	197993
2	Segment results before Interest and Taxes	(899)	(899)	1 460	552	(6 36 563)	(43789)	(6 36 002)	(44136)
	Less: Interest expense	-	-	-	-	-	-	-	-
	Add: Interest Income	-	-	-	-	-	-	-	-
	Profit before tax	(899)	(899)	1 460	552	(6 36 563)	(43789)	(6 36 002)	(44136)
	Current Tax/Taxes for earlier years	-	-	-	-	17 555	-	17 555	-
	Net profit after tax	(899)	(899)	1 460	552	(6 54 118)	(43789)	(6 53 557)	(44136)
3	Other Information								
	Segment Assets	1256 22 83 905	125623 33770	-	-	-	-	1256 22 83 905	125623 33770
	Segment Liabilities	303 49 30 951	30343 27 259	-	-	-	-	303 49 30 951	30343 27 259
	Capital Expenditure	-	-	-	-	-	-	-	-
	Depreciation	-	-	-	-	-	-	-	-

- ii) Since all the operations of the Company are conducted within India, as such there is no separate reportable geographical segment.

14 Related Party Disclosure

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 Polyolefins Limited	Fellow subsidiary company
4	Reliance Strategic Investments Limited	

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

ii) Transactions during the year with related parties:

Sr. No.	Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiary Companies	Total
1	Unsecured Loan converted into Zero Coupon Optionally Convertible Debentures (Refer Note No. 3)	-	303 25 00 000	-	303 25 00 000
2	Net Loan and Advances taken / (repaid)	-	-	6 00 000	6 00 000
3	Purchases	1 95 917 1 97 441	-	-	1 95 917 1 97 441
Balance as at 31st March, 2016					
4	Equity share capital	-	1 00 92 800 1 00 92 800	-	1 00 92 800 1 00 92 800
5	Long Term Borrowings	-	303 25 00 000 303 25 00 000	6 00 000	303 31 00 000 303 25 00 000
6	Investments	81 38 85 914 81 38 85 914	-	1174 60 00 000 1174 60 00 000	1255 98 85 914 1255 98 85 914

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

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

Particulars	Relationship	2015-16	2014-15
1 Unsecured Loan converted into Zero Coupon Optionally Convertible Debentures (Refer Note No. 3)			
Reliance Industrial Investments and Holdings Limited	Holding	303 25 00 000	-
2 Net Loan and Advances taken / (repaid)			
Reliance Strategic Investments Limited	Fellow Subsidiary	6 00 000	1 97 993
3 Purchases			
Reliance Industries Limited	Ultimate Holding	1 95 917	1 97 441

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

KVVS Murthy
Director

Rohit C. Shah
Director

Dhiren V. Dalal
Director

S Rajagopal
Director

Shivkumar R Bhardwaj
Director