

Reliance Global Business BV in Liquidation

Independent Auditors' Report

To the Management of
Reliance Global Business BV

Report on the Financial Statements

We have audited the accompanying financial statements of Reliance Global Business BV ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Management, as well as evaluating the overall presentation of the financial statements.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Other Matters

We report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion, proper books of account have been kept by the Company so far as appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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

Sandesh Ladha
Partner
Membership No.: 047841

Place: Mumbai
Date: 12th April, 2016.

Balance Sheet as at 31st March, 2016

	Notes	As at 31st March, 2016	(In Euro) As at 31st March, 2015
EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	2	59,410,000	59,410,000
Reserves & Surplus	3	452	5,196,733
		59,410,452	64,606,733
Current Liabilities			
Short Term Payable-RIME		5,297,780	-
Trade Payables		-	23,024
TOTAL		64,708,232	64,629,757
ASSETS			
Non Current Assets			
Non Current Investments	4	-	6,45,46,834
Current Assets			
Current Investments	5	611,048	-
Short Term Receivable-RIME		64,091,400	-
Balance with Bank		5,784	81,459
Prepaid Expenses		-	82,923
Total		64,708,232	64,629,757
Notes on Financial Statements	1 to 10		

As per our Report of even date

For Chaturvedi & Shah
Chartered Accountants

Sandesh Ladha
Partner
Membership No.:047841

Place: Mumbai
Date: 12th April, 2016

For and on behalf of the Board

Jairaj Sampat
Director

Place: Amsterdam
Date: 7th April, 2016

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

Particulars	YTD Mar 16	(In Euro) 2014-15
INCOME		
Other Income		
Gain on Revaluation of Investments	155,614	-
Dividend from Subsidiary	-	6,825,480
Miscellaneous Liabilities Written Back	-	12,145
Other Income	-	1,129
Total Revenue	<u>155,614</u>	<u>6,838,754</u>
EXPENDITURE		
Legal & Professional fees	176,168	46,562
Audit Fees -	3,337	
Bank charges	1,561	658
Exchange Loss on Redemption of Investment	-	3,438,666
Exchange (Gain)/Loss (net)	4,665	(77,289)
Other Expenses	250,000	61
Total Expenses	<u>432,395</u>	<u>3,411,995</u>
Profit/(Loss) Before Tax	<u>(276,781)</u>	<u>3,426,760</u>
Profit/(Loss) for the Year	<u>(276,781)</u>	<u>3,426,760</u>
Notes on Financial Statements	1 to 10	

As per our Report of even date

For and on behalf of the Board

For Chaturvedi & Shah
Chartered Accountants

Sandesh Ladha
Partner
Membership No.:047841

Jairaj Sampat
Director

Place: Mumbai
Date: 12th April, 2016

Place: Amsterdam
Date: 7th April, 2016

Cash Flow Statement for the year ended on 31st March, 2016

	YTD Mar 16		(In Euro) 2014-15
A CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit/(Loss) before tax as per Statement of Profit and Loss	(276,781)		3,426,760
Adjusted for:			
Dividend from Subsidiary	-	(6,825,480)	
Gain on revaluation of Investment	(155,614)	-	
Exchange Loss on Redemption of Investment	-	(155,614)	(3,386,814)
Operating Profit/(Loss) before Working Capital Changes		(432,395)	39,946
(Increase)/Decrease in Short Term Receivable	(64,091,400)	-	
Increase/(Decrease) in Short Term Payable	5,297,780	-	
(Increase)/Decrease in Trade Payables & Other Current Liabilities	(23,024)	(23,341)	
Increase/(Decrease) in Trade and other receivables	1,464	(58,815,180)	(24,805)
Cash Generated from Operations before Tax		(59,247,575)	15,141
Net Cash (used in)/from Operating Activities		(59,247,575)	15,141
B: CASH FLOW FROM INVESTING ACTIVITIES:			
Redemption of Shares of Subsidiary	64,091,400		14,274,703
Dividend from Subsidiary	-		6,825,480
Net Cash (used in)/from Investing Activities	64,091,400		21,100,183
C: CASH FLOW FROM FINANCING ACTIVITIES:			
Dividends Paid (Including Dividend Distribution tax)	(4,919,500)		-
Cancellation of Class A shares	-		(21,093,612)
Net Cash (used in)/from Financing Activities	(4,919,500)		(21,093,612)
Net Increase / (Decrease) in Cash and Cash Equivalents		(75,675)	21,712
Opening Balance of Cash and Cash Equivalents		81,459	59,748
Closing Balance of Cash and Cash Equivalents		5,784	81,459

As per our Report of even date

For and on behalf of the Board

For Chaturvedi & Shah
Chartered Accountants

Sandesh Ladha
Partner
Membership No.:047841

Jairaj Sampat
Director

Place: Mumbai
Date: 12th April, 2016

Place: Amsterdam
Date: 7th April, 2016

Notes on Financial Statements for the Year Ended 31st March, 2016

COMPANY OVERVIEW

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

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

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

B. Use of Estimates

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

C. Foreign Currency Transactions

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

D. Revenue Recognition

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

E. Investments

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

F. Provision for Current Tax

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

G. Provision, Contingent Liabilities and Contingent Assets

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

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

Notes on Financial Statements for the Year Ended 31st March, 2016

		As at 31st March, 2016	(In Euro) As at 31st March, 2015
2.	SHARE CAPITAL		
	Authorised Share Capital		
	5,000,000,000 Ordinary Shares of Euro 0.01 each (5,000,000,000)	50,000,000	50,000,000
	10,000,000,000 Class A Shares of Euro 0.01 each (10,000,000,000)	100,000,000	100,000,000
	TOTAL	150,000,000	150,000,000
	Issued, Subscribed and Paid Up Capital		
	2,000,000 Ordinary Shares of Euro 0.01 each (2,000,000)	20,000	20,000
	5,939,000,000 Class A Shares of Euro 0.01 each (5,939,000,000)	59,390,000	59,390,000
	TOTAL	59,410,000	59,410,000

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

Particulars of Shareholders	As at 31st March, 2016	
	No of Shares	% holding
Ordinary Shares of EURO .01 each		
Reliance Industries (Middle East)DMCC	2,000,000	100%
Class A Shares of EURO .01 each		
Reliance Industries (Middle East)DMCC	5,939,000,000	100%
Particulars of Shareholders	As at 31st March, 2015	
	No of Shares	% holding
Ordinary Shares of EURO .01 each		
Reliance Industries and Investments Holdings Limited-Holding Company	1,800,000	90%
Reliance Industries Limited-Ultimate Holding Company	200,000	10%
Class A Shares of EURO .01 each		
Reliance Industries Limited-Ultimate Holding Company	5,939,000,000	100%

Notes on Financial Statements for the Year Ended 31st March, 2016

2.2. The reconciliation of the number of shares outstanding is set out below:	(In Euro)	
Particulars	As at 31st March, 2016	As at 31st March, 2015
Ordinary Shares at the beginning of the year	2,000,000	2,000,000
Add : Shares issued	-	-
Less: Shares Cancelled-	-	-
Ordinary Shares at the end of the year	<u>2,000,000</u>	<u>2,000,000</u>
Class A Shares at the beginning of the year	5,939,000,000	8,048,361,211
Add : Shares issued	-	-
Less: Shares Cancelled	-	2,109,361,211
Class A Shares at the end of the year	<u>5,939,000,000</u>	<u>5,939,000,000</u>
3. RESERVES & SURPLUS	(In Euro)	
Particulars	As at 31st March, 2016	As at 31st March, 2015
Profit & Loss Statement		
As per Last Balance Sheet	5,196,733	1,769,973
Profit/ (Loss) for the Year	(276,781)	3,426,760
Dividend Paid	(4,670,341)	-
Withholding Tax on Dividend Paid	(249,159)	-
Total	<u>452</u>	<u>5,196,733</u>
4. NON-CURRENT INVESTMENT	(In Euro)	
Particulars	As at 31st March, 2016	As at 31st March, 2015
<i>(Long Term Investments)</i>		
Investment in Subsidiaries-Unquoted		
0 Ordinary Shares of Recron (Malaysia) Sdn Bhd (113187500) of RM 1.00 each Fully Paid Up	-	45,672,070
0 Ordinary Shares of Wave Land Developers Limited (82108) of KSHS 1000 each Fully Paid Up	854,982	-
0 Preference Shares of Wave Land Developers Limited (1701100) of KSHS 1000 each Fully Paid Up	-	-
0 Ordinary Shares of RIL USA Inc of USD 10000 each (300) Fully Paid Up	-	18,019,782
(10) Ordinary Shares of Reliance do Brasil Indústria e Comércio (10) de Produtos Têxteis, Químicos, Petroquímicos e Derivados Ltda. of R\$ 1 each	-	-
TOTAL	<u>-</u>	<u>64,546,834</u>

Notes on Financial Statements for the Year Ended 31st March, 2016

5. CURRENT INVESTMENT		(In Euro)	
		As at	As at
		31st March, 2016	31st March, 2015
82108	Ordinary Shares of Wave Land Developers Limited		
(-)	of KSHS 1000 each Fully Paid Up	611,048	-
TOTAL		611,048	-

6. The Accounts have been prepared for the limited purpose of their consolidation with its Ultimate Holding Company, namely, Reliance Industries Limited in terms of Accounting Standard - 21 on Consolidated Financial Statements.
7. The activities of the Company mainly comprise of Investment, all the other activities revolve around its main business. As such there are no separate reportable segments and hence information as required by Accounting Standard - 17 on Segment Reporting is not given.
8. The Company has uncalled liability of €3.2 towards investment of 10 shares of Reliance do Brasil Indústria e Comércio de Produtos Têxteis, Químicos, Petroquímicos e Derivados Ltda. The 10 shares will be transferred to the shareholder.
9. The previous year figures have been reclassified and regrouped wherever necessary.
10. As per Accounting Standard - 18 on Related Party Transactions, the disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

(i) List of related parties and relationships:

Sr. no.	Name of the Related Party	Relationship
1	Reliance Industries Limited	Ultimate Holding Company*
2	Reliance Industries(Middle East)DMCC	Holding Company (from 22 nd March, 2016)
3	Reliance Industrial Investments and Holdings Limited	Holding Company (upto 9 th March, 2016)**
4	Wave Land Developers Limited	Subsidiary Company
5	Delta Corp East Africa Ltd	
6	Recron (Malaysia) Sdn Bhd	Fellow Subsidiary Company***
7	Reliance do Brasil Indústria e Comércio de Produtos Têxteis, Químicos, Petroquímicos e Derivados Ltda.	
8	RIL USA Inc	
9	Shri Jairaj Sampat	Key Managerial Personnel

*Indicates Reliance Industries Limited became holding company between 9th March, 2016 to 22nd March, 2016.

** Indicates Reliance Industrial Investments and Holdings Limited as fellow subsidiary from 9th March, 2016.

***Indicates fellow subsidiaries from 22nd March, 2016,

(ii) Transactions with related parties:		(In Euro)	
Sr. No.	Name of Related Party	2015-16	2014-15
a.	RIL USA Inc		
	Opening Balance		
	Investments	1,80,19,782	1,80,19,782
	Transaction during the year		
	Revaluation of Investments	1,89,94,618	-
	Transferred	(37,014,400)	-
	Closing Balance		
	Investments	-	1,80,19,782

Notes on Financial Statements for the Year Ended 31st March, 2016

Sr. No.	Name of Related Party	(In Euro)	
		2015-16	2014-15
b.	Reliance Industries Limited		
	Opening Balance		
	Share Capital	(5,93,92,000)	(8,04,85,612)
	Transaction during the year		
	Issue of Class A Shares		
	Cancellation of shares	-	2,10,93,612
	Transferred	5,93,92,000	-
	Closing Balance		
	Share Capital	-	(5,93,92,000)
c.	Wave Land Developers Limited		
	Opening Balance		
	Investments		
	Preference Shares	-	1,77,13,369
	Ordinary Shares	8,54,982	8,54,982
	Transaction during the year		
	Revaluation of Investments	(2,43,934) -	
	Redemption of Preference Shares	-	1,77,13,369
	Liquidation Dividend Received	-	68,25,480
	Closing Balance		
	Investments		
	Preference Shares	-	-
	Ordinary Shares	6,11,048	8,54,982
d.	Recron (Malaysia) Sdn Bhd.		
	Opening Balance		
	Investments	4,56,72,070	4,56,72,070
	Transaction during the year		
	Revaluation of Investment	(185,95,070)	-
	Transferred	(27,077,000)	-
	Closing Balance		
	Investments	-	4,56,72,070
e.	Reliance Industrial Investments and Holdings Limited		
	Opening Balance		
	Share Capital	(18,000)	(18,000)
	Transaction during the year		
	Transferred	18,000	-
	Closing Balance		
	Share Capital	-	(18,000)

Notes on Financial Statements for the Year Ended 31st March, 2016

Sr. No.	Name of Related Party	(In Euro)	
		2015-16	2014-15
f.	Reliance Industries(Middle East) DMCC		
	Opening Balance		
	Share Capital	-	-
	Transaction during the year		
	Transferred	(5,94,10,000)	-
	Sale of Investment	6,40,91,000	-
	Loan Taken	(52,97,780)	-
	Closing Balance		
	Share Capital	(5,94,10,000)	-
	Proceeds from sale of Investment (Receivable)	6,40,91,000	-
	Loan Payable	(52,97,780)	-
g.	Payments to Key Managerial Personnel		
	Director Fees	21,780	21,780
	Bonus	2,50,000	-

As per our Report of even date

For Chaturvedi & Shah
Chartered Accountants

Sandesh Ladha
Partner
Membership No.:047841

Place: Mumbai
Date: 12th April, 2016

For and on behalf of the Board

Jairaj Sampat
Director

Place: Amsterdam
Date: 7th April, 2016