

Reliance Retail Finance Limited

Independent Auditor's Report

To the Members of Reliance Retail Finance Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance Retail finance 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 we are 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.

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 amount which required to be transferred to the Investor Education and Protection Fund by the Company.

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

Amit Chaturvedi
Partner
Membership No.: 103141

Mumbai
Date: April 19, 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.

- 1) As the Company had no Fixed Assets during the year, clause (i) of paragraph of 3 of the order is not applicable to the Company
- 2) As the Company had no Inventories during the year, clause (ii) of paragraph of 3 of the order is not applicable to the company.
- 3) 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.
- 4) Company has not granted any loans, investments, guarantees and securities covered under section 185 and 186 of the Act.
- 5) 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.
- 6) 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.
- 7) 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.
- 8) 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.
- 9) The company has not raised money by way of initial public offer or further public offer (including debt instruments) or term Loan and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- 10) 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.
- 11) 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.
- 12) 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.
- 13) 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.
- 14) 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.
- 15) 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.

- 16) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Amit Chaturvedi
Partner
Membership No.: 103141

Mumbai
Date: April 19, 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 Retail Finance Limited** (“the company”) as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year then ended.

Management Responsibility for the Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or

improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Amit Chaturvedi
Partner
Membership No.: 103141

Mumbai
Date: April 19, 2016

Balance Sheet as at 31st March, 2016

	Note	As at 31st March, 2016	Amount in ₹ As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	2 02 00 000	2 02 00 000
Reserves and Surplus	2	99 75 06 006	99 76 95 725
		101 77 06 006	101 78 95 725
Current Liabilities			
Other Current Liabilities	3	96 430	87 669
Total		101 78 02 436	101 79 83 394
ASSETS			
Non-Current Assets			
Non-Current Investments	4	101 00 00 000	101 00 00 000
Current assets			
Current Investments	5	77 60 233	79 39 266
Cash and Bank Balances	6	42 203	32 882
Short Term Loans and Advances	7	-	11 246
		78 02 436	79 83 394
Total		101 78 02 436	101 79 83 394
Significant Accounting Policies			
Notes on Financial Statements	1 to 18		

As per our Report of even date

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

Amit Chaturvedi
Partner
Membership No. 103141

Mumbai
Dated: April 19, 2016

For and on behalf of the Board

Atul Dayal
Director

M. N. Bajpai
Director

Rohit C. Shah
Director

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

	Note	2015-16	Amount in ₹ 2014-15
Revenue from Operations	8	20 967	7 269
Other Income	9	890	-
Total Revenue		21 857	7 269
Expenses			
Other Expenses	10	1 85 430	2 67 905
Total Expenses		1 85 430	2 67 905
Profit/ (Loss) before Tax		(1 63 573)	(2 60 636)
Tax expenses			
Current tax		-	-
Taxation for earlier year		26 146	-
Profit/ (Loss) after Tax		(1 89 719)	(2 60 636)
Earnings per equity share of face value of ₹ 10 each			
Basic and Diluted (in ₹)	11	(0.09)	(0.13)
Significant Accounting Policies			
Notes on Financial Statements	1 to 18		

As per our Report of even date

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

Amit Chaturvedi
Partner
Membership No. 103141

Mumbai
Dated: April 19, 2016

For and on behalf of the Board

Atul Dayal
Director

M. N. Bajpai
Director

Rohit C. Shah
Director

Cash Flow Statement for the year 2015-16

	2015-16	Amount in ₹ 2014-15
A: CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax as per Profit and Loss Statement	(1 89 719)	(2 60 636)
Adjusted for:		
Dividend Income	-	(2 878)
Profit on Sale of Current investments	(20 967)	(4 391)
	(20 967)	(7 269)
Operating Loss before Working Capital Changes	(2 10 686)	(2 67 905)
Adjusted for:		
Other Receivables	-	75 985
Trade and Other Payables	8 761	5 617
	8 761	81 602
Cash (used in) Operations	(2 01 925)	(1 86 303)
Taxes paid (net)	11 246	-
Net Cash (used in) Operating Activities	(1 90 679)	(1 86 303)
B: CASH FLOW FROM INVESTING ACTIVITIES		
Sale / Redemption of Investments	101 02 00 000	60 000
Purchase / Subscription of Investments	(101 00 00 000)	-
Net cash Generated from Investing Activities	2 00 000	60 000
C: CASH FLOW FROM FINANCING ACTIVITIES	-	-
Net Increase / (Decrease) in Cash and Cash Equivalents	9 321	(1 26 303)
Opening Balance of Cash and Cash Equivalents	32 882	1 59 185
Closing Balance of Cash and Cash Equivalents	42 203	32 882
(Refer Note No. 6)		

As per our Report of even date

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

Amit Chaturvedi
Partner
Membership No. 103141

Mumbai
Dated: April 19, 2016

For and on behalf of the Board

Atul Dayal
Director

M. N. Bajpai
Director

Rohit C. Shah
Director

Significant Accounting Policies

A Basis of Preparation of Financial Statements

These financial statements have been prepared to comply with generally accepted Accounting Principles 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 Impairment of Assets

The Company assess at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. An asset is treated as impaired, when the carrying cost of the asset exceeds its recoverable value. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in used. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in previous accounting period is reversed if there has been a change in the estimate of recoverable amount.

D 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. Current investments are carried at the lower of cost and quoted/ fair value, computed category wise. 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.

E 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. 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 rate applicable.

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

		Amount in ₹		
		As at 31st March, 2016	As at 31st March, 2015	
1. SHARE CAPITAL				
Authorised:				
45,00,000 Equity shares of ₹ 10 each (45,00,000)		4 50 00 000	4 50 00 000	
TOTAL		<u>4 50 00 000</u>	<u>4 50 00 000</u>	
Issued, subscribed and paid-up:				
20,20,000 Equity shares of ₹ 10 each fully paid up (20,20,000)		2 02 00 000	2 02 00 000	
TOTAL		<u>2 02 00 000</u>	<u>2 02 00 000</u>	
(i)	All the above 20,20,000 (Previous Year 20,20,000) equity shares of ₹ 10 each fully paid-up are held by Reliance Industrial Investments and Holdings Limited, the holding company along with its nominees.			
(ii)	The details of Shareholders 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	20,20,000	100	20,20,000	100
(iii)	Reconciliation of opening and closing number of shares			
		As at 31st March, 2016	As at 31st March, 2015	
		No. of Shares	No. of Shares	
Equity shares at the beginning of the year		20,20,000	20,20,000	
Add: Equity shares issued during the year		-	-	
Equity shares at the end of the year		20,20,000	20,20,000	
(iv)	No bonus shares have been issued during the last five years.			
2. RESERVES AND SURPLUS		Amount in ₹		
		As at 31st March, 2016	As at 31st March, 2015	
Statutory Reserve Fund *				
As per last Balance Sheet		20 42 41 992	20 42 41 992	
Add: Transferred from Profit and Loss Account		-	-	
		<u>20 42 41 992</u>	<u>20 42 41 992</u>	
Surplus in Profit and Loss Account				
As per last Balance Sheet		79 34 53 733	79 37 14 369	
Less: Loss for the year		(1 89 719)	(2 60 636)	
		<u>79 32 64 014</u>	<u>79 34 53 733</u>	
Less: Transferred to Statutory Reserve Fund		-	-	
		<u>79 32 64 014</u>	<u>79 34 53 733</u>	
TOTAL		<u>99 75 06 006</u>	<u>99 76 95 725</u>	

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

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

	As at 31st March, 2016	Amount in ₹ As at 31st March, 2015
3. OTHER CURRENT LIABILITIES		
Other Payables *	96 430	87 669
TOTAL	96 430	87 669
* Includes statutory liabilities and creditor for expenses		
		Amount in ₹
4. NON-CURRENT INVESTMENTS	As at 31st March, 2016	As at 31st March, 2015
Long Term Investments (Valued at Cost, less other than temporary diminution in value, if any.)		
Other Investments		
In Preference Shares - Unquoted, fully paid up		
- 9% Non-cumulative Optionally Convertible Preference (5,05,000) Shares of Reliance Industrial Investments and Holding Limited of ₹ 10 each	-	101 00 00 000
In Debentures - Unquoted, fully paid up		
10 10 00 000 Zero Coupon Unsecured Optionally Convertible Debentures (-) of Reliance Commercial Land & Infrastructure Limited of ₹ 10 each	101 00 00 000	-
TOTAL	101 00 00 000	101 00 00 000
	Book value	Book value
Aggregate amount of Unquoted investments	101 00 00 000	101 00 00 000
		Amount in ₹
5. CURRENT INVESTMENTS (Carried at lower of cost and quoted / fair value)	As at 31st March, 2016	As at 31st March, 2015
Investment in Mutual Funds - Unquoted		
40,864 ICICI Prudential Liquid Regular Plan-Growth (41,807) of ₹ 100 each	77 60 233	79 39 266
TOTAL	77 60 233	79 39 266
	Book value	Book value
Aggregate amount of Unquoted investments	77 60 233	79 39 266
		Amount in ₹
6. CASH AND BANK BALANCES	As at 31st March, 2016	As at 31st March, 2015
Cash and cash equivalents		
Balance with Banks in current account	42 203	32 882
TOTAL	42 203	32 882

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

	Amount in ₹	
	As at 31st March, 2016	As at 31st March, 2015
7. SHORT TERM LOANS AND ADVANCES (Unsecured and Considered Good)		
Advance Income Tax (net of provisions)	-	11 246
TOTAL	-	11 246
		Amount in ₹
8. REVENUE FROM OPERATIONS	2015-16	2014-15
Dividend from current investments	-	2 878
Profit on Sale of Current investments	20 967	4 391
TOTAL	20 967	7 269
		Amount in ₹
9. OTHER INCOME	2015-16	2014-15
Miscellaneous Income	890	-
TOTAL	890	-
		Amount in ₹
10. OTHER EXPENSES	2015-16	2014-15
Establishment Expenses		
Rates and Taxes	9 646	26 343
Professional Fees	-	15 500
Membership Fees	12 648	39 326
Payments to Auditors:		
- Statutory Audit Fees	68 700	61 798
- Certification and Consultation Fees	18 320	11 236
	87 020	73 034
Service Tax Expense	-	2 719
General Expenses	76 116	1 10 983
TOTAL	1 85 430	2 67 905
		Amount in ₹
11. EARNINGS PER SHARE (EPS)	2015-16	2014-15
(i) Net loss after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	(1 89 719)	(2 60 636)
(ii) Weighted Average number of equity shares used as denominator for calculating EPS	20 20 000	20 20 000
(iii) Basic and diluted (loss) per share of face value of ₹ 10 each (₹)	(0.09)	(0.13)
(iv) Face value per equity share (₹)	10	10

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

12. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.
13. The Company is mainly engaged in the business of "Investments in Shares and Securities" in India. All the activities of the Company revolve around this main business. Accordingly, the Company has only one identifiable segment namely "Investments in Shares and Securities", reportable under Accounting Standard 17 "Segment Reporting".
14. There are no employees during the year, therefore Accounting Standard 15 "Employee Benefits" is not applicable to the Company,
15. (i) Deferred tax assets (net) as at Balance Sheet date consists of the following items. As a matter of prudence, the Company has not recognised deferred tax assets in the books of accounts

	As at 31st March, 2016	Amount in ₹ As at 31st March, 2015
Deferred Tax Liabilities	Nil	Nil
Deferred Tax Assets		
Carried forward Losses	1 47 48 480	1 71 99 507
Deferred Tax Asset (Net)	1 47 48 480	1 71 99 507

- (ii) 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.
16. As per Accounting Standard 18 'Related Party Disclosures', 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 relationships:**

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industries Limited	Ultimate holding company
2	Reliance Industrial Investments and Holdings Limited	Holding company
3	Reliance Commercial Land & Infrastructure Limited	Fellow Subsidiary company

(ii) **Transactions during the year with related parties:**

		Amount in ₹		
Sr.	Nature of transactions (excluding reimbursements)	Holding Company	Fellow Subsidiary Company	Total
1	Purchase / Subscription of Investments	-	101 00 00 000	101 00 00 000
2	Redemption of Investments	101 00 00 000	-	101 00 00 000
Balance Sheet as at 31st March, 2016				
3	Share Capital	2 02 00 000 <i>2 02 00 000</i>	-	2 02 00 000 <i>2 02 00 000</i>
4	Investments	-	101 00 00 000 <i>101 00 00 000</i>	101 00 00 000 <i>101 00 00 000</i>

Note: Figures in italic represents Previous Year's amount.

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

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

Particulars	Relationship	2015-16	2014-15
1 Purchase / Subscription of Investments			
Reliance Commercial Land & Infrastructure Limited	Fellow Subsidiary	101 00 00 000	-
2 Redemption of Investments			
Reliance Industrial Investments and Holdings Limited	Holding	101 00 00 000	-

17. 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.

Liabilities side:	Amount Outstanding	Amount Overdue
I Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid	NIL	NIL
Assets side:		Amount in ₹
		Amount Outstanding
II Break-up of Loans and Advances including bills receivables (other than those included in (IV) below)		NIL
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		
a) Quoted		NIL
b) Unquoted		
i) Units of Mutual Funds		77 60 233
Long Term Investments		
a) Quoted		NIL
b) Unquoted		
i) Shares: (a) Equity		NIL
(b) Preference		NIL
ii) Debentures		101 00 00 000
		Amount in ₹
		Amount (net of provision)
V Borrower group-wise classification of assets financed as in (II) and (III) above		NIL
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)
a) Related Parties		
i) Subsidiary company	NIL	NIL
ii) Companies in same group	101 00 00 000	101 00 00 000
b) Other than related parties	77 60 233	77 60 233
TOTAL	101 77 60 233	101 77 60 233

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

VII Other information		Amount in ₹	
Particulars			
a)	Gross Non-Performing Assets		NIL
b)	Net Non-Performing Assets		NIL
c)	Assets acquired in satisfaction of debt		NIL
17. a)	Capital to Risk Asset Ratio (CRAR)	As at 31st March, 2016 (%)	As at 31st March, 2015 (%)
i)	CRAR	99.95	99.96
ii)	CRAR – Tier I Capital	99.95	99.96
iii)	CRAR – Tier II Capital	-	-
b)	Exposure to Real Estate Sector		
	Category	As at 31st March, 2016	As at 31st March, 2015
i)	Direct exposure		
	(a) Residential Mortgages - 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)	NIL	NIL
	(b) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	NIL	NIL
	(c) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	(i) Residential	NIL	NIL
	(ii) Commercial Real Estate	NIL	NIL
ii)	Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	NIL	NIL

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

c) Asset Liability Management - Maturity pattern of certain items of assets and liabilities

Amount in ₹

	1 day to 30/31 days (1 month)	Over 1 month to 2 months	Over 2 months upto 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	-	-	-	-	-	-	-	-	-
Market Borrowings	-	-	-	-	-	-	-	-	-
Assets									
Advances	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	77 60 233	-	-	101 00 00 000	101 77 60 233

18. ADDITIONAL DISCLOSURES

- There is no Registration/ licence/ authorisation obtained from other financial sector regulators by the Company.
- There are no ratings assigned by any credit rating agencies and hence no migration of ratings during the year.
- There is no Penalties levied by any regulator on the Company during the year.
- Country of operation is whole of India and there are no joint venture partners and Overseas Subsidiaries of the Company.

As per our Report of even date

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

Amit Chaturvedi
Partner
Membership No. 103141

Mumbai
Dated: April 19, 2016

For and on behalf of the Board

Atul Dayal
Director

M. N. Bajpai
Director

Rohit C. Shah
Director