

RELIANCE PETROINVESTMENTS LIMITED

Reliance Petroinvestments Limited

Independent Auditor's Report

To the Members of Reliance Petroinvestments Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance Petroinvestments Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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 standalone 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, 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 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 standalone 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, 2015, 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 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 March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 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 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 are required to be transferred to the Investor Education and Protection Fund by the Company during the year.

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 10, 2015

Balance Sheet as at 31st March, 2015

	Note	As at 31st March, 2015	(₹ in thousand) As at 31st March, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	8 87 76	8 87 76
Reserves and Surplus	2	<u>174 21 26</u>	<u>174 77 27</u>
		183 09 02	183 65 03
Non-Current Liabilities			
Long Term Borrowings	3	12 52 00	11 65 00
Current Liabilities			
Other Current Liabilities	4	<u>25 88</u>	<u>60 03</u>
TOTAL		<u>195 86 90</u>	<u>195 90 06</u>
ASSETS			
Non-Current Assets			
Non-Current Investments	5	184 47 43	184 47 43
Current Assets			
Cash and Bank Balance	6	25 41	28 57
Other Current Assets	7	<u>11 14 06</u>	<u>11 14 06</u>
		11 39 47	11 42 63
TOTAL		<u>195 86 90</u>	<u>195 90 06</u>
Significant Accounting Policies Notes on Financial Statements	1 to 14		

As per our Report of even date

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

Amit Chaturvedi
Partner
Membership No : 103141

Mumbai
Date : April 10, 2015

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

K. K. Desai
Partner
Membership No : 100805

For and on behalf of the Board

A.V. Betkekar
Chairman
DIN : 00007095

Jyotindra Thacker
Director
DIN : 00006678

Komal Chhapru
Secretarial Officer
Membership No : A22259

B.K. Gangopadhyay
Director
DIN : 00005966

Statement of Profit and Loss for the year ended 31st March, 2015

	Note	2014-15	(₹ in thousand) 2013-14
INCOME			
Revenue from Operations	8	1 95	2 24
Total Revenue		1 95	2 24
EXPENDITURE			
Purchases of Stock-in-Trade		1 94	2 23
Other Expenses	9	56 02	39 15
Total Expenses		57 96	41 38
Loss before tax		(56 01)	(39 14)
Current tax		-	-
Loss for the year		(56 01)	(39 14)
Earnings per equity shares of face value of ₹ 10 each			
Basic and Diluted (in ₹)	10	(0.63)	(0.44)
Significant Accounting Policies Notes on Financial Statements	1 to 14		

As per our Report of even date

For **Chaturvedi & Shah**
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(Registration No : 101720W)

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Partner
Membership No : 103141

Mumbai
Date : April 10, 2015

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Secretarial Officer
Membership No : A22259

Cash Flow Statement for the year 2014-15

	2014-15	(₹ in thousand) 2013-14
A. Cash Flow from Operating Activities		
Net Loss before tax as per Statement of Profit and Loss	(56 01)	(39 14)
Adjusted for :	-	-
Operating Loss before Working Capital Changes	<u>(56 01)</u>	<u>(39 14)</u>
Adjusted for :		
Trade and other receivables	-	(10 44 61)
Trade and other payables	<u>(34 15)</u>	<u>36 22</u>
Cash (used in) from Operations	<u>(90 16)</u>	<u>(10 08 39)</u>
Taxes paid (net)	-	-
Net Cash (used in) Operating Activities	<u>(90 16)</u>	<u>(10 47 53)</u>
B. Cash Flow from Investing Activities		
Net Cash from Investing Activities	-	-
C. Cash Flow from Financing Activities		
Proceeds from long term borrowings	87 00	11 65 00
Repayment of long term borrowings	-	(1 15 00)
Net Cash from Financing Activities	<u>87 00</u>	<u>10 50 00</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>(3 16)</u>	<u>2 47</u>
Opening Balance of Cash and Cash Equivalents	<u>28 57</u>	<u>26 10</u>
Closing Balance of Cash and Cash Equivalents	<u>25 41</u>	<u>28 57</u>
(Refer Note No. 6)		

As per our Report of even date

For **Chaturvedi & Shah**
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Mumbai
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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.

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. Revenue from operation includes sale of goods.

E. 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.

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, 2015

		(₹ in thousand)	
		As at	As at
		31st March, 2015	31st March, 2014
1. Share Capital			
Authorised :			
5,00,00,000	Equity shares of ₹ 10 each	50 00 00	50 00 00
(5,00,00,000)			
5,00,00,000	Unclassified Shares of ₹ 10 each	50 00 00	50 00 00
(5,00,00,000)			
		100 00 00	100 00 00
Issued, Subscribed and Paid up:			
88,77,554	Equity shares of ₹ 10 each fully paid up	8 87 76	8 87 76
(88,77,554)			
		8 87 76	8 87 76

Note

- a) Details of Share holders holding more than 5% shares

Name of the Shareholders	As at 31st March, 2015		As at 31st March, 2014	
	Nos. of shares	% held	Nos. of shares	% held
Fellow Subsidiary Companies :				
Reliance Global Commercial Limited	44 38 777	50	44 38 777	50
Reliance Universal Commercial Limited	44 38 777	50	44 38 777	50

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

Particulars	As at	As at
	31st March, 2015	31st March, 2014
	Nos	Nos
Equity shares at the beginning	88 77 554	88 77 554
Add : Shares issued during the year	-	-
Equity shares at the end of the year	88 77 554	88 77 554

- c) No bonus shares have been issued in last five years.

		(₹ in thousand)	
		As at	As at
		31st March, 2015	31st March, 2014
2. Reserves and Surplus			
Surplus in Profit and Loss Account			
As per last Balance Sheet		174 77 27	175 16 41
Less : Loss for the year		(56 01)	(39 14)
		174 21 26	174 77 27

Notes on Financial Statements for the year ended 31st March, 2015

	As at 31st March, 2015	(₹ in thousand) As at 31st March, 2014
3. Long Term Borrowings		
Unsecured loan from holding company	12 52 00	11 65 00
	<u>12 52 00</u>	<u>11 65 00</u>

Above Loan is repayable in three years.

	As at 31st March, 2015	(₹ in thousand) As at 31st March, 2014
4. Other Current Liabilities		
Unpaid warrants	22 58	22 58
Others *	3 30	37 45
	<u>25 88</u>	<u>60 03</u>

* Includes statutory dues and revenue expenditure

	As at 31st March, 2015	(₹ in thousand) As at 31st March, 2014
5. Non-Current Investments		
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		
404 Reliance Industries Limited	2 43	2 43
(404) of ₹ 10 each		
Unquoted, fully paid up		
In Equity Shares of Associate Company		
37,49,990 Reliance Commercial Dealers Limited	3 75 00	3 75 00
(37,49,990) of ₹ 10 each		
In Preference Shares of Fellow Subsidiary Company		
9,00,500 9% Non-Cumulative Optionally	180 10 00	180 10 00
(9,00,500) Convertible Preference Shares of Reliance Industrial Investments and Holdings Limited of ₹ 10 each		
1,200 10% Non-Cumulative Optionally	60 00	60 00
(1,200) Convertible Preference Shares of Reliance Industrial Investments and Holdings Limited of ₹ 10 each		
	<u>180 70 00</u>	<u>180 70 00</u>
	<u>184 47 43</u>	<u>184 47 43</u>
Aggregate amount of quoted investments	2 43	2 43
Market Value of quoted investments	3 34	3 76
Aggregate amount of unquoted investments	184 45 00	184 45 00

Notes on Financial Statements for the year ended 31st March, 2015

	As at 31st March, 2015	(₹ in thousand) As at 31st March, 2014
6. Cash and Bank Balances		
Cash and cash equivalents		
Balance with Bank in current account *	25 41	28 57
	<u>25 41</u>	<u>28 57</u>
* Includes ₹ 2258 thousand (previous year ₹ 2258 thousand) earmarked for payment for unpaid warrant holders.		
7. Other Current Assets		
Other recoverable *	11 05 76	11 05 76
Income tax refund receivable	8 30	8 30
	<u>11 14 06</u>	<u>11 14 06</u>
* Includes ₹ 110000 thousand (previous year ₹ 110000) paid under protest for matter in appeal.		
8. Revenue from Operations		
Sale of Fabrics	1 95	2 24
	<u>1 95</u>	<u>2 24</u>
9. Other Expenses		
Auditors Remuneration		
- Audit fees	1 24	1 12
- Certification fees	11	11
Professional fees	54 50	36 34
Demat/Custodian charges (previous year ₹ 618/-)	1	0
Filing fees	8	2
Profession Tax	3	3
General expenses	5	1 53
	<u>56 02</u>	<u>39 15</u>
9.1 Professional fees includes payment made to Key Managerial Personnel ₹ 1 32 thousand (previous year ₹ Nil)		
10. Earnings per share		
Basic and Diluted Earnings per share (₹)	(0.63)	(0.44)
Net Loss after tax as per Statemen of Profit and Loss (₹ in thousand)	(56 01)	(39 14)
Weighted Average number of equity shares used as denominator for calculating EPS	88 77 554	88 77 554
Face value per equity share (₹)	10	10

Notes on Financial Statements for the year ended 31st March, 2015

11. The Previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year presentation.
12. a) Deferred tax assets (net) as on 31st March, 2015 consists of the following items. As a matter of prudence, the Company has not recognised deferred tax assets in the books of accounts

(₹ in thousand)

	As at 31st March, 2015	As at 31st March, 2014
Deferred Tax Liabilities	Nil	Nil
Deferred Tax Assets		
Carried forward Losses	2 84	1 83
Deferred Tax Asset (Net)	2 84	1 83

- b) The Income-Tax assessments of the Company have been completed up to Assessment Year 2012-13. 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, 2015 (Refer Note No. 5)
 - ii) No Loans are given by the Company as at 31st March, 2015.
 - iii) No Guarantees are given by the Company as at 31st March, 2015.

13. Related Party

As per Accounting Standard 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below :

i) List of related parties with whom transactions have taken place and relationship:

Sr. No.	Name of the Related Party	Relationship
1.	Reliance Industries Limited (Ultimate Holding Company)	Parties where control exists
2.	Reliance Strategic Investments Limited (Holding Company)	
3.	Reliance Universal Commercial Limited	Fellow Subsidiary Companies
4.	Reliance Global Commercial Limited	
5.	Reliance Industrial Investments and Holdings Limited	
6.	Reliance Commercial Dealers Limited	Associate Company

ii) Transactions during the year with related parties: (₹ in thousand)

Sr. No.	Nature of Transaction (Excluding reimbursements)	Parties where Control exists	Fellow Subsidiary Companies	Associate Company	Total
1.	Loan taken / (repaid)	87 00 <i>10 50 00</i>	-	-	87 00 <i>10 50 00</i>
2.	Purchases	1 94 <i>2 24</i>	-	-	1 94 <i>2 24</i>
Balance as at 31st March, 2015					
3.	Equity share capital	-	8 87 76 <i>8 87 76</i>	-	8 87 76 <i>8 87 76</i>
4.	Loans taken	12 52 00 <i>11 65 00</i>	-	-	12 52 00 <i>11 65 00</i>
5.	Investments	2 43 <i>2 43</i>	180 70 00 <i>180 70 00</i>	3 75 00 <i>3 75 00</i>	184 47 43 <i>184 47 43</i>
6.	Other Current Liabilities	1 20 <i>-</i>	-	-	1 20 <i>-</i>

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

Notes on Financial Statements for the year ended 31st March, 2015

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

Particulars	Relationship	2014-15	2013-14
1. Loan taken / (repaid)			
Reliance Strategic Investments Limited	Parties where control exists	87 00	11 65 00
Reliance Strategic Investments Limited	Parties where control exists	-	(1 15 00)
2. Purchases			
Reliance Industries Limited	Parties where control exists	1 94	2 24

14. 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.

- 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".
- Segment assets and segment liabilities represent assets and liabilities in respective segments.

i) Primary Segment Information

(₹ in thousand)

Sr. No.	Particulars	Finance & Investments		Trading		Unallocable		Total	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
1.	Segment Revenue								
	External Turnover	-	-	1 95	2 24	-	-	1 95	2 24
2.	Segment results before Interest and Taxes	(1)	0	1	1	(56 01)	(39 15)	(56 01)	(39 14)
	Less: Interest expense	-	-	-	-	-	-	-	-
	Add : Interest income	-	-	-	-	-	-	-	-
	Profit before tax	(1)	0	1	1	(56 01)	(3,915)	(56 01)	(39 14)
	Current tax	-	-	-	-	-	-	-	-
	Net Profit after tax	(1)	0	1	1	(56 01)	(3,915)	(56 01)	(39 14)
3.	Other Information								
	Segment Assets	195 86 90	195 90 06	-	-	-	-	195 86 90	195 90 06
	Segment Liabilities	12 77 88	12 25 03	-	-	-	-	12 77 88	12 25 03
	Capital Expenditure	-	-	-	-	-	-	-	-
	Depreciation	-	-	-	-	-	-	-	-

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

As per our Report of even date

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

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Partner
Membership No : 103141

Mumbai
Date : April 10, 2015

For **Rajendra & Co.**
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For and on behalf of the Board

A.V. Betkekar **B.K. Gangopadhyay**
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DIN : 00007095 DIN : 00005966

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