

Reliance Petro Marketing Limited

Independent Auditor's Report

To the Members of Reliance Petro Marketing Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance Petro Marketing 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.

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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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 22 to the financial statements.
 - 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 **Pathak H.D. & Associates**
Chartered Accountants
(Firm Registration no. **107783W**)

Saurabh Pamecha
Partner
Membership No.: 126551
Mumbai
Date: 18th April, 2016

“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) In respect of its fixed assets:
- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - In our opinion and according to the information and explanation given to us, title deeds of immovable properties are held in the name of 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 not directly or indirectly advanced loan to the persons covered under Section 185 of the Act or given guarantees or securities in connection with the loan taken by such persons and has complied with the provisions of section 186 of the Act, in respect of investments, loans, guarantee or security given, as applicable.
- 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) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under subsection (1) of Section 148 of the Act applicable in respect of certain activities undertaken by the company and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) In respect of Statutory dues:
- 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 31st March, 2016 for a period of more than six months from the date they became payable.
 - According to the information and explanations given to us, dues of income tax and sales tax which have not been deposited as on 31st March, 2016 on account of disputes are given below:

Sr. No.	Name of the Statute	Nature of the Dues	Amount (₹ in lakh)	Period to which the amount relates	Forum where dispute is pending
1	Central Sales Tax Act, 1956 and Sales Tax Acts of	Sales Tax/ VAT and Entry Tax	24 64.79	2005-06 and 2010-11 to 2011-12	Joint/Deputy Commissioner/ Commissioner (Appeals)
			14 91.22	2003-04 to 2005-06 and 2008-09	Sales Tax Appellate Tribunal
			11.64	Sep. 2007 - Aug. 2008	Supreme Court
2	Income Tax Act, 1961	Income Tax	64.29	2008-09 and 2013-14	Commissioner of Income Tax (Appeals)
	TOTAL		40 31.94		

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- viii) The Company has not raised loans from financial institutions or banks or by issue of debentures and hence clause (viii) of paragraph 3 of the order is not applicable to the Company.
- ix) The 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.
- 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) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 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.
- 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: 18th April, 2016

“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 Petro Marketing 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: 18th April, 2016

Balance Sheet as at 31st March, 2016

	Note	As at		₹ Lakhs
		31st March, 2016		As at 31st March, 2015
EQUITY AND LIABILITIES				
Shareholder's Funds				
Share Capital	1	4 04.58		4 04.58
Reserves and Surplus	2	12 97.74		18 73.75
			17 02.32	22 78.33
Non-Current Liabilities				
Deferred Tax Liability (Net)	3	4 32.26		7 92.26
Other Long Term Liabilities	4	126 69.23		114 16.74
			131 01.49	122 09.00
Current Liabilities				
Trade Payables				
Micro, Small and Medium Enterprises	5	3.51		-
Others		102 73.79		55 07.43
Other Current Liabilities	5	83 08.41		19 59.35
Short Term Provisions	6	84.66	186 70.37	71.36
				75 38.14
TOTAL			334 74.18	220 25.47
ASSETS				
Non-Current Assets				
Fixed Assets				
Tangible Assets	7	48 27.40		45 39.72
Non-Current Investments	8	0.53		75 00.53
Long Term Loans and Advances	9	12 35.48	60 63.41	11 93.95
				132 34.20
Current Assets				
Inventories	10	87 02.93		37 84.37
Trade Receivables	11	30 70.84		1 17.26
Cash and Bank Balances	12	113 46.31		27 95.86
Short Term Loans and Advances	13	42 90.69	274 10.77	20 93.78
				87 91.27
TOTAL			334 74.18	220 25.47
Significant Accounting Policies				
Notes to the Financial Statements 1 to 29				

As per our Report of even date

For **Pathak H.D. & Associates**
Chartered Accountants
Firm Registration No.: 107783W

Saurabh Pamecha
Partner
Membership No. 126551

Place: Mumbai
Dated: 18th April, 2016

For and on behalf of the Board

P. Raghavendran
Director

C. S. Borar
Director

S. K. Bhardwaj
Director

Harisha M. Kumar
Wholetime Director

N. B. Deshmukh
Director

C. S. Gokhale
Director

G. K. Fulwadaya
Director

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

	Note	2015-16	₹ Lakhs 2014-15
INCOME			
Revenue from Operations	14		
Sale of Products		2197 25.53	708 11.86
Income from Services		3 11.53	2 76.63
		<u>2200 37.06</u>	<u>710 88.49</u>
Less: Service Tax Recovered		47.47	34.52
Net Revenue from Operations		2199 89.59	710 53.97
Other Income	15	7 10.93	13 45.37
Total Revenue		<u>2207 00.52</u>	<u>723 99.34</u>
EXPENSES			
Purchases of Stock-in-Trade		2146 68.29	679 65.21
Changes in Inventories of Stock-in-Trade	16	(47 93.37)	(7 99.33)
Employee Benefits Expenses	17	13 40.28	8 07.73
Finance Cost		0.35	0.24
Depreciation / Amortisation		5 24.96	6 41.25
Other Expenses	18	97 64.94	36 20.32
Total Expenses		<u>2215 05.45</u>	<u>722 35.42</u>
Profit / (Loss) Before Tax		<u>(8 04.93)</u>	<u>1 63.92</u>
Tax expenses			
Current Tax		-	32.80
Less: MAT Credit Reversed		1 31.09	(32.80)
Deferred Tax		(3 60.01)	58.84
Profit / (Loss) for the Year		<u>(5 76.01)</u>	<u>1 05.08</u>
Earning/(Loss) per Equity Share of face value ₹10 each			
Basic (in ₹)	23	(1,152.02)	210.16
Diluted (in ₹)	23	(949.96)	173.30
Significant Accounting Policies			
Notes to the Financial Statements	1 to 29		

As per our Report of even date

For **Pathak H.D. & Associates**
Chartered Accountants
Firm Registration No.: 107783W

Saurabh Pamecha
Partner
Membership No. 126551

Place: Mumbai
Dated: 18th April, 2016

For and on behalf of the Board

P. Raghavendran
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Director

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Director

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Wholetime Director

N. B. Deshmukh
Director

C. S. Gokhale
Director

G. K. Fulwadaya
Director

Cash Flow Statement for the year 2015-16

	2015-16	₹ Lakhs 2014-15
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax as per statement of Profit and Loss	(8 04.93)	1 63.92
Adjusted for:		
Depreciation / Amortisation	5 24.96	6 41.25
Loss on Sale / Discard of Assets	2.29	-
Finance Cost	0.35	0.24
Effect of Foreign Exchange Fluctuation	-	(0.03)
Interest Income	(2 12.50)	(9 09.85)
	3 15.10	(2 68.39)
Operating (Loss) before Working Capital Changes	(4 89.83)	(1 04.47)
Adjusted for:		
Trade & Other Payables	76 14.86	11 87.76
Trade & Other Receivables	(52 65.55)	46.64
Inventories	(49 18.56)	(8 07.20)
	(25 69.25)	4 27.20
Cash Generated from Operations	(30 59.08)	3 22.73
Taxes Paid	(54.51)	(1 14.26)
Net Cash Generated from Operating Activities	(31 13.59)	2 08.47
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investment	-	(75 00.13)
Sale/Redemption of Investment	75 00.00	-
Purchase of Fixed Assets	(8 14.93)	(3 62.61)
Interest Received	2 09.45	9 23.23
Net Cash Generated from/(Used in) Investing Activities	68 94.52	(69 39.51)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Finance Cost	(0.35)	(0.24)
Net Cash (Used in) Financing Activities	(0.35)	(0.24)
Net Increase/(Decrease) in Cash and Cash Equivalents	37 80.58	(67 31.28)
Opening Balance of Cash & Cash Equivalents	26 95.86	1 65.81
Add: On Amalgamation (Refer Note 21)	-	92 61.33
Closing Balance of Cash & Cash Equivalents*	112 46.31	26 95.86

*Refer note 12

As per our Report of even date

For **Pathak H.D. & Associates**
Chartered Accountants
Firm Registration No.: 107783W

Saurabh Pamecha
Partner
Membership No. 126551

Place: Mumbai
Dated: 18th April, 2016

For and on behalf of the Board

P. Raghavendran
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Director

G. K. Fulwadaya
Director

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

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

- (i) 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.
- (ii) The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupees in lakh.

B. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

C. 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. 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.

D. Inventories

Items of inventories are measured at lower of cost or net realizable value. Cost of inventories comprise of all cost of purchase and other cost incurred in bringing them to their respective present location and condition. Cost of stores and spares, trading and other products is determined on weighted average basis.

E. Revenue Recognition

Revenue from sale of goods is recognised only when risks and rewards incidental to ownership are transferred to the customer and revenue from services are recognised only when services have been rendered, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, sale of services, service tax, adjusted for discounts (net).

Interest income is recognized on time proportion basis taking into account, amount outstanding and the rate of return.

F. Employee Benefits

- (i) The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services. These benefits include performance incentive and compensated absences.
- (ii) A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.
- (iii) The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.
- (iv) Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Statement of Profit and Loss.
- (iv) Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company is charged to the Profit and Loss Statement in the year of exercise of option by the employee.

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

G. Borrowing Costs

Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs are charged to revenue except those attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.

H. Fixed Assets

Fixed Assets are stated at cost of acquisition, net of value added tax, including any attributable cost for bringing the asset to its working condition for its intended use, less accumulated depreciation and impairment loss, if any.

I. Depreciation and Amortisation

Depreciation on Fixed Assets is provided on Straight Line Method at the rates derived in the manner prescribed in schedule-II to the Companies Act, 2013 over their useful life except:

- (i) the cost of leasehold land is amortised over the period of lease,
- (ii) LPG cylinders and regulators under Plant and Machinery are depreciated over the Period of 10 years.

J. Foreign Currency Transactions

- (i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- (ii) Monetary items denominated in foreign currencies at the year-end are restated at year-end rates.
- (iii) Non -monetary foreign currency items are carried at cost.
- (iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss account except in case of long term liabilities where they relate to acquisition of fixed assets, in which case they are adjusted to carrying cost of such assets.

K. Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable income and accounting income is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax Assets are recognized and carried forward only to the extent that there is a virtual or reasonable certainty that the assets will realize in future.

L. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised, nor disclosed in the financial statements.

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

NOTE '1'

	As at 31st March, 2016	₹ Lakhs As at 31st March, 2015
SHARE CAPITAL		
Authorised:		
50 00 000 Equity Shares of ₹ 10 each (50 00 000)	5 00.00	5 00.00
50 00 000 Preference Shares of ₹10 each (50 00 000)	5 00.00	5 00.00
	10 00.00	10 00.00
TOTAL	10 00.00	10 00.00
Issued, Subscribed and Paid up:		
50 000 Equity Shares of ₹10 each fully paid up (50 000)	5.00	5.00
39 95 800* 10% Non Cumulative Optionally Convertible (39 95 800)** Preference Shares of ₹10 each fully paid up	3 99.58	3 99.58
TOTAL	4 04.58	4 04.58

1.1 Details of Shareholder's holding more than 5% Shares

	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	% held	No. of Shares	% held
Equity:				
Reliance Retail Limited (Holding Company)	50,000	100	50,000	100
Total	50 000	100	50 000	100
Preference:				
Reliance Retail Limited (Holding Company)	39 95 800	100	3,995,800	100
Total	39 95 800	100	39 95 800	100

1.2 Reconciliation of opening and closing number of shares

	As at 31st March, 2016	As at 31st March, 2015
Equity Share Outstanding at the beginning of the year	50 000	50 000
Add: Equity Share issued during the year	-	-
Equity Outstanding at the end of the year	50 000	50 000
Preference Share Outstanding at the beginning of the year	39 95 800	39 95 800
Add: Preference Share issued during the year	-	-
Preference Share Outstanding at the end of the year	39 95 800	39 95 800

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

1.3 Terms of Preference Shares

- * Redeemable at the end of ten years from the date of allotment i.e. 25th November, 2013 at a price of ₹ 260 per share. The Preference Shareholder have an option for early redemption at any time after expiry of forty five days from the date of allotment by giving not less than Seven days notice. The Issuer and the preference shareholder will have an option for early conversion at any time by giving one month notice to the other party. The conversion of the Preference Shares will be based on higher of the book value or face value of the share as at 31st March, 2015.
- ** Redeemable at the end of ten years from the date of allotment i.e. 25th November, 2013 at a price of ₹ 260 per share. The Preference Shareholder have an option for early redemption any time after expiry of forty five days from the date of allotment by giving not less than Seven days notice. The Preference Shareholders may at any time during the tenure opt for conversion of preference shares into equity at fair value of equity shares at the time of conversion.

1.4 Rights, Preferences and Restrictions attached to Shares

Equity:

The Company has one class of Equity Shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

Preference:

The Company has one class of Preference Shares i.e. 10% Non Cumulative Optionally Convertible Preference Shares of ₹ 10/- per share. Such Preference Shares shall carry a preferential right over the Equity shares of the Company as regards to payment of dividend and repayment of capital, in the event of winding – up of the Company. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

NOTE: '2'

	As at 31st March, 2016	₹ Lakhs As at 31st March, 2015
RESERVES AND SURPLUS		
Capital Redemption Reserve		
As per last Balance sheet	6.02	6.02
Securities Premium Reserve		
As per last Balance Sheet	7 14.50	7 14.50
Profit & Loss Account		
As per last Balance Sheet	11 53.23	95.57
Add: Profit /(loss) for the year	(5 76.01)	1 05.08
Add: On Amalgamation (Refer Note 21)	-	9 86.95
Less: Adjustment relating to Fixed Assets	-	(34.38)
	5 77.22	11 53.23
	12 97.74	18 73.75

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

NOTE '3'	As at 31st March, 2016	₹ Lakhs As at 31st March, 2015
DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability		
Related to Fixed Assets	11 09.70	10 05.58
Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	31.15	27.25
Unabsorbed depreciation and carried forward business loss	6 46.29	1 86.07
	<u>4 32.26</u>	<u>7 92.26</u>

NOTE '4'	As at 31st March, 2016	₹ Lakhs As at 31st March, 2015
OTHER LONG TERM LIABILITIES		
Security Deposits*	126 69.23	114 16.74
	<u>126 69.23</u>	<u>114 16.74</u>

* Represents Deposit from customer/distributors

NOTE '5'

TRADE PAYABLES AND OTHER CURRENT LIABILITIES

5.1 TRADE PAYABLES

There is no principal amount and interest overdue to Micro and Small Enterprises. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

	As at 31st March, 2016	₹ Lakhs As at 31st March, 2015
Principal amount due and remaining unpaid	-	-
Interest due on above and unpaid Interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remain unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

5.2 OTHER CURRENT LIABILITIES

	As at 31st March, 2016	₹ Lakhs As at 31st March, 2015
Security Deposits from vendors/customers	29 87.54	12 85.65
Others ⁽¹⁾	53 20.87	6 73.70
	<u>83 08.41</u>	<u>19 59.35</u>

⁽¹⁾ Includes statutory liabilities and advances from customers.

NOTE '6'	As at 31st March, 2016	₹ Lakhs As at 31st March, 2015
SHORT TERM PROVISION		
Provision for Employee Benefits	84.66	71.36
	<u>84.66</u>	<u>71.36</u>

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

NOTE '7'

₹ Lakhs

TANGIBLE ASSETS

Description	Gross Block				Depreciation				Net Block	
	As at 1/4/2015	Additions Adjustments	Deductions/ Adjustments	As at 31/3/2016	As at 1/4/2015	For the Year	Deductions/ Adjustments	Upto 31/3/2016	As at 31/3/2016	As at 31/3/2015
Own Assets:										
Land-Freehold	3 72.24	-	-	3 72.24	-	-	-	-	3 72.24	3 72.24
Building	3 85.43	20.06	0.34	4 05.15	1 11.23	21.98	(0.07)	1 33.14	2 72.01	2 74.20
Plant and Machinery	76 87.41	7 85.31	16.81	84 55.91	39 10.69	4 72.39	(8.32)	43 74.76	40 81.15	37 76.72
Equipments*	55.91	18.67	-	74.58	33.12	12.59	5.40	51.11	23.47	22.79
Furniture and fixtures	15.11	-	0.15	14.96	6.04	1.50	(0.03)	7.51	7.45	9.07
Vehicles	61.07	-	4.50	56.57	18.59	15.29	(2.20)	31.68	24.89	42.48
Electrical Installations*	-	8.19	-	8.19	-	0.70	3.02	3.72	4.47	-
Sub-total	85 77.17	8 32.23	21.80	93 87.60	40 79.67	5 24.45	(2.20)	46 01.92	47 85.68	44 97.50
Leased Assets:										
Lease Hold land	50.63	-	-	50.63	8.41	0.50	-	8.91	41.72	42.22
Sub-total	50.63	-	-	50.63	8.41	0.50	-	8.91	41.72	42.22
Total	86 27.80	8 32.23	21.80	94 38.23	40 88.08	5 24.95	(2.20)	46 10.83	48 27.40	45 39.72
Previous Year	82 65.18	4 30.61	68.00	86 27.80	33 97.11	6 90.97	-	40 88.08	45 39.72	

* Addition/Adjustment and Deletion/Adjustment includes effect of regrouping of Asset heading amounting ₹ 9.11 lakh and ₹ 8.19 lakh in Equipments and Electrical Installations respectively.

NOTE '8'

₹ Lakhs

NON-CURRENT INVESTMENTS

(Valued at Cost less other than temporary diminution in value, if any)

As at
31st March, 2016

As at
31st March, 2015

Other Investments

In Equity Shares - Unquoted, fully paid up

1,000 Air Controls and Chemical Engg. Co. Ltd.	0.02	0.02
(1,000) of ₹ 1 each		

In Debentures of fellow Subsidiary Company - Unquoted, fully paid up

(-) 0% Unsecured Convertible Redeemable Debenture of 7,500,000 Reliance Brands Limited of ₹ 100 each	-	75 00.00
---	---	----------

Government Securities - Unquoted

National Saving Certificates	0.51	0.51
(Deposited with Government Authorities)		

0.53

75 00.53

Aggregate value of Unquoted Investment

0.53

75 00.53

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

NOTE '9'	₹ Lakhs	
LONG TERM LOANS AND ADVANCES	As at	As at
(Unsecured and considered good)	31st March, 2016	31st March, 2015
Security Deposits	12 31.92	11 92.72
Other Loans and Advances *	3.56	1.23
	<u>12 35.48</u>	<u>11 93.95</u>

* Includes loans to employees of ₹ 3.56 lakhs (Previous Year ₹ 1.23 lakhs)

NOTE '10'	₹ Lakhs	
INVENTORIES	As at	As at
(Valued at lower of Cost or Net Realisable Value)	31st March, 2016	31st March, 2015
Stores, Spares and other Consumables	4 62.54	3 37.35
Stock-in-Trade *	82 40.39	34 47.02
	<u>87 02.93</u>	<u>37 84.37</u>

* Stock-in-Trade includes Material in Transit of ₹ 3 58.76 lakhs (Previous Year ₹ 5 15.05 lakhs)

NOTE '11'	₹ Lakhs	
TRADE RECEIVABLE	As at	As at
(Unsecured and Considered Good)	31st March, 2016	31st March, 2015
Outstanding for a period exceeding six months from due date	28.77	-
Others	30 42.07	1 17.26
	<u>30 70.84</u>	<u>1 17.26</u>

NOTE '12'	₹ Lakhs	
CASH AND BANK BALANCES	As at	As at
	31st March, 2016	31st March, 2015
Cash and Cash Equivalents		
(a) Cash on hand	12 68.25	1 27.45
(b) Balances with Bank		
(i) in Current Accounts	1 31.72	3 96.98
(ii) in Deposits	98 46.34	25 68.41
	<u>112 46.31</u>	<u>26 95.86</u>
Other Bank Balances		
(a) in Deposits*	1 00.00	1 00.00
	<u>113 46.31</u>	<u>27 95.86</u>

* The Company has placed Fixed Deposits amounting to ₹ 1 00 Lakhs (Previous Year ₹ 1 00 Lakhs) under lien as security for temporary overdraft facility from a bank.

NOTE '12.1'

Cash and cash equivalents includes deposits maintained by the Company with banks, which can be withdrawn by the Company at any point of time without prior notice or penalty on the principal.

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

NOTE '13'

	As at 31st March, 2016	₹ Lakhs As at 31st March, 2015
SHORT-TERM LOANS AND ADVANCES (Unsecured and considered good)		
(a) Advance Income Tax (Net of Provision)	4 82.89	5 59.47
(b) Balances with Government Authorities	35 00.11	12 63.36
(c) Prepaid Expenses	2 55.27	2 35.27
(d) Others*	52.42	35.68
	<u>42 90.69</u>	<u>20 93.78</u>

* Includes advances to/receivable from employees and accrued interest.

NOTE '14'

	2015-16	₹ Lakhs 2014-15
REVENUE FROM OPERATIONS		
Broad heads of goods sold and services rendered		
a) Sale of products		
(i) Transportation Fuel	1762 48.79	253 86.88
(ii) Packed LPG	357 34.54	359 81.10
(iii) Others	77 42.20	94 43.89
	<u>2197 25.53</u>	<u>708 11.86</u>
b) Income from Services		
(i) Franchise fee	3 11.53	2 76.63
	<u>3 11.53</u>	<u>2 76.63</u>

NOTE '15'

	2015-16	₹ Lakhs 2014-15
OTHER INCOME		
Interest Income from others	2 12.50	9 09.85
Other non operating income	4 98.43	4 35.52
	<u>7 10.93</u>	<u>13 45.37</u>

NOTE '16'

	2015-16	₹ Lakhs 2014-15
CHANGES IN INVENTORIES OF STOCK IN TRADE		
Inventories (at close)		
Stock-in-Trade	82 40.39	34 47.02
Inventories (at commencement)		
Stock-in-Trade	34 47.02	16 82.62
Add: on Amalgamation (Refer Note 21)	-	9 65.07
	<u>47 93.37</u>	<u>7 99.33</u>

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

NOTE '17'

	2015-16	₹ Lakhs 2014-15
EMPLOYEE BENEFITS AND EXPENSES		
Salaries, Wages and Bonus	12 75.25	7 40.02
Contribution to Provident and other Funds	24.36	27.82
Employee Welfare and other amenities	40.67	39.89
	<u>13 40.28</u>	<u>8 07.73</u>

NOTE '18'

	2015-16	₹ Lakhs 2014-15
OTHER EXPENSES		
SALES & DISTRIBUTION EXPENSES		
Sales Tax, Service Tax and Turnover Tax	14.98	5.94
Brokerage, Discount and Commission	20.38	30.08
Samples, Sales Promotion and Advertisement Expenses	3 35.82	2 43.05
Clearing and Forwarding/ Freight Expenses	2 09.01	5 80.19
	<u>5 80.19</u>	<u>96.63</u>
OPERATING EXPENSES INCLUDING ADMINISTRATIVE EXPENSES		
Operator Charges	63 79.40	11 86.36
Electricity Expenses	11 26.29	5 43.20
Security Expenses	4 21.28	4 82.06
Travelling and Conveyance Expenses	3 08.79	2 37.51
Repairs and Maintenance	2 90.84	3 44.21
Bank and Other Charges	2 38.33	44.88
Usage Charges	2.61	3.51
Rates & Taxes	1 34.82	61.87
Professional and Legal fees	32.36	41.27
Telephone expenses	13.98	33.15
Insurance	27.69	17.01
Loss on Sale / Discard of Assets	2.29	-
Printing and stationery	10.66	7.54
Other General and Administrative Charges	1 80.81	91 70.15
	<u>1 80.81</u>	<u>2 28.17</u>
PAYMENTS TO AUDITORS		
Statutory Audit fees	10.50	10.00
Tax Audit fees	3.50	3.30
Cost Audit fees	0.60	0.58
	<u>14.60</u>	<u>13.88</u>
	<u>97 64.94</u>	<u>36 20.32</u>

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

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

(i) **List of related parties where control exists and related parties with whom transactions have taken place and relationship:**

Name of the Related Party	Relationship
Reliance Industries Limited	Ultimate Holding Company
Reliance Retail Ventures Limited	Holding Companies
Reliance Retail Limited	
Reliance Brands Limited	Fellow Subsidiary Companies
Reliance Jio Infocomm Limited	
GAPCO Tanzania Limited	
GAPCO Uganda Limited	
GAPCO Kenya Limited	
Shri Harisha M. Kumar	Key Managerial Personnel

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

₹ Lakhs

Sr. No.	Nature of Transactions (Excluding reimbursements) Company	Ultimate Holding	Holding Company Company	Fellow Subsidiary Personnel	Key Managerial	Total
1.	<u>Purchase</u>					
	Purchase during the year	2232 26.18 <i>643 67.26</i>	-	-	-	2232 26.18 <i>643 67.26</i>
2.	<u>Expenditure</u>					
	a) Sales Promotion Expense	-	17.51 <i>17.74</i>	-	-	17.51 <i>17.74</i>
	b) Payment to Key Managerial Personnel	-	-	-	21.55 <i>6.53</i>	21.55 <i>6.53</i>
3.	<u>Income</u>					
	a) Sale during the year	3 06.85 <i>2 62.30</i>	14.57 <i>32.04</i>	46.91 <i>-</i>	-	3 68.53 <i>2 94.34</i>
	b) License fees	-	-	52.39 <i>47.38</i>	-	52.39 <i>47.38</i>
4.	<u>Purchase / Subscription of Investment</u>	-	-	-	-	-
		-	-	<i>75 00.00</i>	-	<i>75 00.00</i>
5.	<u>Balances as on 31.03.2016</u>					
	Trade Receivable	9.41 <i>24.21</i>	3.90 <i>1.57</i>	61.60 <i>27.11</i>	-	74.91 <i>52.89</i>
	Trade Payable	72 20.53 <i>29 43.04</i>	-	-	-	72 20.53 <i>29 47.25</i>
	Investment	-	-	-	-	-
		-	-	<i>75 00.00</i>	-	<i>75 00.00</i>

Note: Figures in italics represent Previous Year's amounts.

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

(iii) Disclosure in respect of Material Related Party Transactions during the Year:

₹ Lakhs

Particulars	Relationship	2015-16	2014-15
1. <u>Purchases during the year</u>			
Reliance Industries Limited	Ultimate Holding Company	2232 26.18	643 67.26
2. <u>Sales Promotion Expenses</u>			
Reliance Retail Limited	Holding Company	17.51	17.74
3. <u>Payment to Key Managerial Personnel</u>			
Shri Harisha M. Kumar	Key Managerial Personnel	21.55	6.53
4. <u>Sales during the year</u>			
Reliance Industries Limited	Ultimate Holding Company	3 06.85	2 62.30
Reliance Retail Limited	Holding Company	14.57	32.04
Reliance Jio Infocomm Limited	Fellow Subsidiary Company	46.91	-
5. <u>License Fees</u>			
GAPCO Tanzania Limited	Fellow Subsidiary Company	41.91	37.73
GAPCO Uganda Limited	Fellow Subsidiary Company	10.23	9.41
GAPCO Kenya Limited	Fellow Subsidiary Company	0.24	0.24
6. <u>Purchase / Subscription of Investment</u>			
Reliance Brands Limited	Fellow Subsidiary Company	-	75 00.00
7. <u>Sale / Redemption of Investment</u>			
Reliance Brands Limited	Fellow Subsidiary Company	75 00.00	-
Balances as on 31st March, 2016			
8. <u>Investments</u>			
Reliance Brands Limited	Fellow Subsidiary Company	-	75 00.00

20 The company is in retail selling and distribution of petroleum and related products in India. All the activities of the Company revolve around this main business. Accordingly, the Company has only one identifiable segment reportable under Accounting Standard 17 "Segment Reporting".

21 The figures of previous year include figures of LPG Infrastructure (India) Limited (LIIL), the wholly owned subsidiary company engaged in the business of packing and distribution of Liquefied Petroleum Gas Cylinders in India, which was amalgamated with the Company with effect from 1st April, 2013 as per the Scheme of Amalgamation (the Scheme) sanctioned by Judicature of Hon'ble High Court of Bombay.

The Scheme became effective on 01st September, 2014, the appointed date of the Scheme being 1st April, 2013.

In accordance with the Scheme and as per the approval of the Hon'ble High Court:

- (i) The assets, liabilities, reserves, rights and obligations of erstwhile LIIL have been transferred to and vested with the Company with effect from 1st April, 2013 and have been recorded at their respective book values, under the pooling of interest method of accounting for amalgamation as prescribed in Accounting Standard 14 on Accounting for Amalgamations.
- (ii) Being a wholly owned subsidiary company, 45,000 Equity Shares & 5,000, 8% Non-Cumulative Redeemable Preference Shares of erstwhile LIIL held by the Company have been cancelled against Share Capital of the amalgamating company and no shares has been issued in pursuance to the Scheme of Amalgamation.
- (iii) Amount added on amalgamation to profit and loss account is inclusive of profit of ₹ 1 85.38 Lakhs for the period 1st April 2013 till 31st March 2014.

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

22 ADDITIONAL INFORMATION

1. Contingent Liability

₹ Lakhs

Particulars	As at	As at
	31st March, 2016	31st March, 2015
(i) Bank Guarantees to Government Authorities	15.32	17.67
(ii) In respect of Sales Tax Liability under various Sales Tax Authorities*	48 33.10	23 97.38
(iii) In respect of Income Tax Liability under Various Income Tax Authorities	64.29	64.19

* The above litigations are not expected to have any material adverse impact on the financial position of the Company.

2. Broad heads of purchases of traded goods

₹ Lakhs

	2015-16	2014-15
Purchases of traded goods		
(i) Transportation Fuel	1777 97.59	263 73.16
(ii) Packed LPG	309 89.26	335 99.21
(iii) Others	58 81.44	79 92.84
	2146 68.29	679 65.21

23 Earning Per Share (EPS)

2015-16

2014-15

Basic Earning per Share

(i) Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (₹ lakhs)	(5 76.01)	105.08
(ii) Weighted average number of Equity Shares (Used as denominator for calculating Basic EPS)	50,000	50,000
(iii) Basic Earning per Share (₹)	(1,152.02)	210.16
(iv) Face Value per Equity Share (₹)	10	10

Diluted Earning Per Share

(i) Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (₹ lakhs)	(5 76.01)	105.08
(ii) Weighted average number of Equity Shares (Used as denominator for calculating Basic EPS)	50,000	50,000
Add: Number of Non Cumulative Preference Shares convertible in to Equity Shares	10,635	10,635
Total weighted average number of Equity Shares (Used as denominator for calculating Diluted EPS)	60,635	60,635
(iii) Diluted Earning per Share (₹)	(949.96)	173.30
(iv) Face Value per Equity Share (₹)	10	10

24 Earning/Expenditure in Foreign Currency on account of:

₹ Lakhs

Earning in Foreign Currency on account of:	2015-16	2014-15
License fees	52.39	47.38

25 Foreign currency exposure from trade receivables that are not hedged by derivative instrument or forward contracts as at 31st March, 2016 amount to ₹ 53.70 lakh (Previous Year ₹ 27.11 lakh)

26 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 ₹ 64.29 lakh.

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

27 As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

Defined Contribution Plan

Contribution to Defined contribution plan, recognised as expenses for the year are as under:	₹ Lakhs	
	2015-16	2014-15
Employer's contribution to Provident Fund	22.28	24.13
Employer's contribution to Superannuation Fund	0.55	0.96
Employer's contribution to Pension Scheme	16.90	11.46

Defined Benefit Plan

The employees' Gratuity Fund scheme managed by Life Insurance Corporation of India, is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method. The obligation for Compensated Absences is recognised based on Projected Credit method which recognises each period of service rise to additional unit of employee entitlement each unit separately to build up the final obligation.

i) Reconciliation of opening and closing balances of Defined Benefit obligation

	₹ Lakhs			
	Gratuity (Funded)		Compensated Absences (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Defined benefit obligation at beginning of the year	1 23.79	72.12	70.30	42.87
Liability Transferred In/ Acquisitions (Refer Note 21)	64.62	45.86	-	22.39
Current service cost	10.76	11.07	3.31	3.41
Interest cost	9.90	9.44	5.62	5.25
Actuarial (gain)/Loss	(10.66)	(11.10)	4.89	(2.41)
Benefits paid	(60.33)	(3.60)	(0.45)	(1.22)
Defined benefit obligation at year end	1 38.08	1 23.79	83.67	70.30

ii) Reconciliation of opening and closing balance of fair value of Plan Assets:

Fair value of plan assets at beginning of the year	2 93.26	2 27.47	-	-
Assets Transferred In/ Acquisitions (Refer Note 21)	64.62	45.85	-	-
Expected return on plan assets	23.46	21.87	-	-
Actuarial gain/(loss)	5.12	1.67	-	-
Employer contribution	-	-	-	-
Benefits paid	(60.33)	(3.60)	-	-
Fair value of plan assets at the year end	3 26.13	2 93.26	-	-
Actual Return on Plan Asset	28.58	23.53	-	-

iii) Reconciliation of fair value of assets and obligation:

Fair value of plan assets	3 26.13	2 93.26	-	-
Present value of obligation	1 38.08	1 23.79	83.67	70.30
Amount recognised in Balance sheet	(1 88.05)	(1 69.46)	83.67	70.30

iv) Expense recognised during the year:

Current service cost	10.76	11.07	3.31	3.41
Interest cost	9.90	9.44	5.62	5.25
Expected (gain)/loss	(23.46)	(21.87)	-	-
Actuarial (gain)/loss	(15.78)	(12.76)	4.89	(2.41)
Net cost	(18.58)	(14.12)	13.82	6.26

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

v) Investment Details:	₹ Lakhs			
	As at 31st March, 2016		As at 31st March, 2015	
Gratuit Fund				
GOI Securities	-	-	-	-
Public Securities	-	-	-	-
State Government Securities	-	-	-	-
Insurance Policies	3 26.13	100.00%	2 91.78	99.50%
Others (including bank balances)	-	-	1.48	0.50%
Total Plan Assets	3 26.13	100.00%	2 93.26	100.00%

vi) Actuarial assumptions:	Gratuity (Funded)		Compensated Absences (Unfunded)	
	2015-16 2006-08 (Ultimate)	2014-15 2006-08 (Ultimate)	2015-16 2006-08 (Ultimate)	2014-15 2006-08 (Ultimate)
Mortality Table				
Discount rate (per annum)	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets (per annum)	8.00%	8.00%	N.A.	N.A.
Rate of escalation in salary (per annum)	6.00%	6.00%	6.00%	6.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The Expected rate of return on plan assets is determined considering several applicable factors mainly, the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan asset management.

vii) Amount recognised in current year and previous four years:	₹ Lakhs				
	As at 31st March				
Gratuity	2016	2015	2014	2013	2012
Particulars					
Defined benefit obligation	1 38.08	1 23.79	72.12	62.64	5.05
Fair value of planned assets	3 26.13	2 93.26	2 27.47	2 12.09	2 00.92
(Surplus)/ Deficit in the plan	(1 88.05)	(1 69.46)	(1 55.35)	(1 49.45)	(1 95.88)
Actuarial (gain)/ loss on plan liabilities	(10.66)	(11.10)	(1.61)	57.54	(36.36)
Actuarial gain/ (loss) on plan assets	5.12	1.67	(0.40)	2.51	1.41

viii) The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2015-16.

28 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. - 8)

29 The previous year's figures have been regrouped and reclassified wherever necessary and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our Report of even date

For **Pathak H.D. & Associates**
Chartered Accountants
Firm Registration No.: 107783W

Saurabh Pamecha
Partner
Membership No. 126551

Place: Mumbai
Dated: 18th April, 2016

For and on behalf of the Board

P. Raghavendran
Director

C. S. Borar
Director

S. K. Bhardwaj
Director

Harisha M. Kumar
Wholetime Director

N. B. Deshmukh
Director

C. S. Gokhale
Director

G. K. Fulwadaya
Director