

RELIANCE VENTURES LIMITED
FINANCIAL STATEMENTS
2017-18

Independent Auditor's Report

TO THE BOARD OF DIRECTORS OF RELIANCE VENTURES LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind As financial statements of **Reliance Ventures Limited** (“the Company”), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “Ind As Financial Statements”).

Management's Responsibility for the Ind AS 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 Ind As financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind As 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 Ind As 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 of the Ind As financial statements 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 Ind As financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind As financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind As 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 Ind As 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 the 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 Ind As 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 Ind As financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind As 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 (financial position) of the Company as at 31st March, 2018, and its profit, total comprehensive Income (financial performance), its cash flows and the changes in equity for the year ended on that date.

Restriction on Use

This report is provided to you solely for use in the preparation and submission of Ind AS Consolidated Financial Statements by Reliance Industries Limited, the Holding Company, for the year ended March 31, 2018. It should not be distributed to any other person other than the authorised management personnel and the auditors of Reliance Industries Limited and/or used for any other purposes.

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 and documents as required by law have been kept by the Company so far as it appears from our examination of those books and documents.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and documents.
 - d) In our opinion, the aforesaid Ind As financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.

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

Jignesh Mehta
Partner
Membership No.: 102749

Place : Mumbai
Date : April 18, 2018

For **Rajendra & Co.**
Chartered Accountants
(Registration no. 108355W)

Sanket. M. Shah
Partner
Membership No.: 148270

Place : Mumbai
Date : April 18, 2018

Balance Sheet as at 31st March, 2018

	Note	As at 31st March, 2018	As at 31st March, 2017	₹ in lakhs
ASSETS				
Non-Current Assets				
Financial Assets				
Investments	1	3835 82	1082 02	
Loans	2	200 00	204 74	
Other Non-Current Assets	3	4 93	-	
		<u>4040 75</u>	<u>1286 76</u>	
Deferred Tax Asset (net)	4	9 02	-	
		<u>4049 77</u>		1286 76
Current Assets				
Financial Assets				
Investments	5	553 73	1933 72	
Trade Receivables	6	4 20	16 16	
Cash and Cash Equivalents	7	54	3 25	
Loans	8	164 00	265 00	
Other Financial Assets	9	72 00	54 37	
		<u>794 47</u>	<u>2272 50</u>	
Total Assets		<u><u>4844 24</u></u>	<u><u>3559 26</u></u>	
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	10	2 69	2 69	
Other Equity	11	3694 97	3373 32	
		<u>3697 66</u>	<u>3376 01</u>	
Liabilities				
Non-Current Liabilities				
Deferred Tax Liability (Net)	4	-	75 88	
Current Liabilities				
Financial Liabilities				
Borrowings	12	1139 50	100 00	
Trade Payables	13	-	-	
Other Financial Liabilities		<u>-</u>	<u>-</u>	
		<u>1139 50</u>	<u>100 00</u>	
Other Current Liabilities	14	5 62	1 69	
Provisions	15	1 46	5 67	
Total Equity and Liabilities		<u><u>4844 24</u></u>	<u><u>3559 26</u></u>	

Significant Accounting Policies

See accompanying Notes to the Financial Statements 1 to 29

As per our Report of even date

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

For **Rajendra & Co.**
Firm Registration No : 108355W
Chartered Accountants

For and on behalf of the Board

K. Sethuraman
Chairman

Jagannatha Kumar
Director

Jayashri Rajesh
Director

Jignesh Mehta
Partner
Membership No. 102749

Sanket M. Shah
Partner
Membership No. 148270

Dhiren Dalal
Independent Director

B Chandrasekaran
Independent Director

Komal Chhapru
Company Secretary

Suresh Jagannathan
Chief Financial Officer

Mumbai
Date : 18th April, 2018

Profit and Loss Statement for the year ended 31st March, 2018

	Note	2017-18	₹ in lakhs 2016-17
INCOME			
Revenue from Operations	16	405 29	656 53
Other Income	17	286	61
Total Income		408 15	657 14
EXPENSES			
Finance Cost	18	54 08	15 87
Other Expenses	19	14 02	7 43
Total Expenses		68 10	23 30
Profit Before Tax		340 05	633 84
Tax Expenses			
Current Tax	20	103 00	127 75
Adjustment of tax relating to earlier period		30	-
Deferred Tax	4	(84 90)	75 88
		18 40	203 63
Profit for the Year		321 65	430 21
Other Comprehensive Income		-	-
Total Comprehensive Income		321 65	430 21
Earnings per Equity Share of face value of ₹ 10 each	21		
Basic (in ₹)		1,195.22	1,598.61
Diluted (in ₹)		1,195.22	1,598.61
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1 to 29		

As per our Report of even date

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

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Firm Registration No : 108355W
Chartered Accountants

For and on behalf of the Board

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Membership No. 102749

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Membership No. 148270

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B Chandrasekaran
Independent Director

Mumbai
Date : 18th April, 2018

Komal Chhapru
Company Secretary

Suresh Jagannathan
Chief Financial Officer

Statement of changes in Equity

A. EQUITY SHARE CAPITAL					₹ in lakhs
	Balance at the beginning of the reporting period i.e. 1st April, 2016	Changes in equity share capital during the year 2016-17	Balance at the end of the reporting period i.e. 31st March, 2017	Changes in equity share capital during the year 2017-18	Balance at the end of the reporting period i.e. 31st March, 2018
	2 69	-	2 69	-	2 69

B. OTHER EQUITY							₹ in lakhs
	Capital Redemption Reserve	Securities Premium Reserve	Statutory Reserve Fund	Retained Earnings	Other Comprehensive Income	Total	
As on 31st March, 2017							
Balance at the beginning of the reporting period i.e. 1st April, 2016	10	2347 85	71 93	523 23	-	2943 11	
Total Comprehensive Income of the year	-	-	-	430 21	-	430 21	
Transferred from retained earnings	-	-	97 75	(97 75)	-	-	
Balance at the end of the reporting period i.e. 31st March, 2017	10	2347 85	169 68	855 69	-	3373 32	
As on 31st March, 2018							
Balance at the beginning of the reporting period i.e. 1st April, 2017	10	2347 85	169 68	855 69	-	3373 32	
Total Comprehensive Income of the year	-	-	-	321 65	-	321 65	
Transferred from retained earnings	-	-	66 95	(66 95)	-	-	
Balance at the end of the reporting period i.e. 31st March, 2018	10	2347 85	236 63	1110 39	-	3694 97	

As per our Report of even date

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

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

For and on behalf of the Board

K. Sethuraman
Chairman

Jagannatha Kumar
Director

Jayashri Rajesh
Director

Jignesh Mehta
Partner
Membership No. 102749

Sanket M. Shah
Partner
Membership No. 148270

Dhiren Dalal
Independent Director

B Chandrasekaran
Independent Director

Mumbai
Date : 18th April, 2018

Komal Chhapru
Company Secretary

Suresh Jagannathan
Chief Financial Officer

Cash Flow Statement for the Year ended 31st March, 2018

	2017-18	₹ in lakhs 2016-17
A Cash Flow from Operating Activities		
Net Profit Before Tax as per Statement of Profit and Loss	340 05	633 84
Adjusted for :		
Finance costs	54 08	15 87
Interest income	(59 94)	(25 75)
Dividend income	(26 73)	(32 30)
Income from investment in venture fund	(60 54)	(120 40)
Reversal of general provision on standard assets	(2 59)	-
Net Gain / Loss on Sale of Investments	(258 09)	(458 92)
	<u>(353 81)</u>	<u>(621 50)</u>
Operating Profit before Working Capital Changes	(13 76)	12 34
Adjusted for :		
Trade and other Receivables	21 98	59 22
Trade and other Payables	10	5
	<u>22 08</u>	<u>59 27</u>
Cash Generated from Operations	8 32	71 61
Income Taxes paid	(109 85)	(124 43)
Net cash flow used in Operating Activities	(101 53)	(52 82)
B Cash flow from Investing Activities		
Payment for purchase of Investments	(8518 58)	(4937 05)
Proceeds from sale of Investments	7396 28	5015 29
Interest received	32 30	32 09
Dividend received	26 73	32 30
Distributions received from venture fund	67 10	120 40
Movement in Loans	105 74	(138 42)
Net cash flow from / (used in) Investing Activities	(890 43)	124 61
C Cash flow from financing Activities		
Proceeds from Borrowings - Current	4755 36	2893 57
Repayment of Borrowings - Current	(3715 86)	(2898 84)
Interest paid	(50 26)	(67 98)
Net cash flow from / (used in) Financing Activities	989 24	(73 25)
Net (Decrease) in Cash and Cash Equivalents	(2 71)	(1 46)
Opening Balance of Cash and Cash Equivalents	3 25	4 71
Closing Balance of Cash and Cash Equivalents (Refer Note 7)	<u>54</u>	<u>3 25</u>

As per our Report of even date

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

For **Rajendra & Co.**
Firm Registration No : 108355W
Chartered Accountants

For and on behalf of the Board

K. Sethuraman
Chairman

Jagannatha Kumar
Director

Jayashri Rajesh
Director

Jignesh Mehta
Partner
Membership No. 102749

Sanket M. Shah
Partner
Membership No. 148270

Dhiren Dalal
Independent Director

B Chandrasekaran
Independent Director

Mumbai
Date : 18th April, 2018

Komal Chhapru
Company Secretary

Suresh Jagannathan
Chief Financial Officer

Notes to the Financial Statements

A. CORPORATE INFORMATION

Reliance Ventures Limited ['the company'] is a limited Company incorporated in India having CIN U24120MH1999PLC121009. The registered office of the company is located at 9th Floor, Maker Chambers IV, 222 Nariman Point, Mumbai 400021, India. The Company is a registered Non-Banking Financial Company - Systemically Important Non-Deposit taking Company.

B. SIGNIFICANT ACCOUNTING POLICIES

B.1 Statement of Compliance

The Company being NBFC, Ind-AS is applicable with effect from April 1, 2018 vide MCA Notification No. 365 dated March 30, 2016. Since Reliance Industries Limited (the Holding Company) is required to prepare Consolidated Financial Statements in compliance with Ind-AS notified by MCA, these financial statements are prepared accordingly only for the purpose of consolidated financial statement by Holding Company and hence this are not general purpose financial statements.

For the purpose of statutory compliances, company has also prepared financial statements in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 read with section 133 of the Companies Act, 2013.

B.2 Basis of Preparation and Presentation

The financial statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value :

- i) Certain financial assets (including derivative instruments) measured at fair value,

Company's financial statements are presented in Indian Rupees (₹) which is also its functional currency and all values are rounded to nearest lakhs (INR 00,000), except when otherwise indicated.

B.3 Summary of Significant Accounting Policies

(a) Finance Cost

Borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

(b) Inventories

Items of inventories are measured at lower of cost and net realisable value.

(c) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(d) Tax Expenses

The tax expense for the period comprises current and deferred tax, same is recognised in Statement of Profit and Loss.

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

(e) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Notes to the Financial Statements

Interest income

Interest income from a financial asset is recognised using effective interest rate method.

Dividends

Revenue is recognised when the Company's right to receive the payment is established.

(f) Financial instruments

i) Financial Assets

A. Initial recognition and measurement:

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement

a) Financial assets carried at amortised cost (AC)

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

C. Investment in subsidiaries

The Company has accounted for its investments in subsidiaries at cost less impairment loss (if any).

D. Other Equity instruments

All equity investments are measured at fair value, with value changes recognised in statement of profit and loss.

ii) Financial liabilities

A. Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

B. Subsequent measurement:

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii) Derivative financial instruments:

The company uses various derivative financial instruments such as commodity contracts to mitigate the risk of changes in market. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of profit or loss.

Notes to the Financial Statements

iv) Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

C. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:

The preparation of the Company's financial statements requires management to make judgment, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Recoverability of trade receivable:

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

b) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

c) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

D. STANDARDS ISSUED BUT NOT EFFECTIVE

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

a) Issue of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

- i. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
- ii. Ind AS 40 - Investment Property
- iii. Ind AS 12 - Income Taxes
- iv. Ind AS 28 - Investments in Associates and Joint Ventures and
- v. Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Company's financial statements.

Notes to the Financial Statements for the year ended 31st March, 2018

1	Investments - Non-Current	31st March, 2018		₹ in lakhs 31st March, 2017	
		Units	Amount	Units	Amount
	(A) Investments measured at Cost				
	In Equity Shares of Subsidiary Company				
	Unquoted, fully paid up				
	Model Economic Township Limited of ₹ 10 each	97,000,000	97 00	9,70,00,000	97 00
	Total (A)		<u>97 00</u>		<u>97 00</u>
	(B) Investments measured at Fair Value Through Profit and Loss				
	In Equity Shares - Quoted, fully paid		1738 15		137 87
	In Warrants - Quoted, fully paid up		36 36		26 60
	In Debentures (NCD) - fully paid up				
	Quoted, fully paid up				
	Kotak Mahindra Prime Limited 0% Secured Redeemable Non Convertible Debentures - Series I of ₹ 1000000 each	1,750	157 31	-	-
	Kotak Mahindra Prime Limited 0% Secured Redeemable Non Convertible Debentures - Series III of ₹ 1000000 each	1,850	152 49	-	-
	HDB Financial Services Limited 0% Secured Redeemable Non Convertible Debentures - Series 113 of ₹ 1000000 each	3,000	306 11	-	-
	Indiabulls Housing Finance Limited 0% Secured Redeemable Non Convertible Debentures - Series K-006 of ₹ 1000000 each	3,000	303 34	-	-
	PNB Housing Finance Limited 0% Secured Redeemable Non Convertible Bonds - Series XLIII-A of ₹ 1000000 each	4,000	405 87	-	-
	7.80% Compulsorily Convertible Debentures of Piramal Enterprises Limited of ₹ 107600 each	13,930	147 37	-	-
			<u>1472 48</u>		<u>-</u>
	In Bonds				
	Quoted, fully paid up				
	Indusind Bank Limited 9.50% Unsecured non-convertible Perpetual Bond of ₹ 1000000 each	-	-	1,500	149 27
	Corporation Bank Series II 10.28% Unsecured Perpetual Bond of ₹ 1000000 each	500	50 00	1,500	148 65
			<u>50 00</u>		<u>297 92</u>

Notes to the Financial Statements for the year ended 31st March, 2018

	31st March, 2018		₹ in lakhs 31st March, 2017	
	Units	Amount	Units	Amount
In Venture fund - fully paid up				
Unquoted				
HDFC India Real Estate Fund of ₹ 1000 each	88,880	1 42	88880	8 32
Urban Infrastructure Opportunities Fund of ₹ 49430 each (previous year ₹ 60430 each)	21,600	53 80	21600	83 13
JM Financial Property Fund - I of ₹ 3875.53 each (previous year ₹ 4791.34 each)	50,000	8 84	50000	23 54
Faering Capital India Evolving Fund of ₹ 1000 each	1,911,868	205 18	2186107	248 43
KKR India Debt Fund I of ₹ 1000 each	673,751	65 70	1248884	146 24
Paragon Partners Growth Fund - I of ₹ 100 each	1,569,603	25 02	-	-
IIFL Special Opportunities Fund Class A5.1 of ₹ 10 each	24,909,288	25 40	-	-
Avendus Absolute Return Fund - Class AB of ₹ 1000 each	500,000	51 68	-	-
DSP Blackrock India Enhanced Equity Fund - Class B of ₹ 100 each	-	-	1,000,000	10 98
		<u>437 04</u>		<u>520 64</u>
Unquoted, Partly paid up				
3one4 Capital Fund Scheme II of ₹ 100000 each, (Paid up ₹ 25,000, Previous year ₹ 10,000 each)	2,000	4 79	2,000	200
Total (B)		<u>4 79</u>		<u>2 00</u>
		<u>3738 82</u>		<u>985 02</u>
TOTAL INVESTMENTS - NON CURRENT (A + B)		<u>3835 82</u>		<u>1082 02</u>
Aggregate amount of Quoted Investments		3296 99		462 39
Market Value of Quoted Investments		3296 99		462 39
Aggregate amount of Unquoted Investments		538 83		619 64
Aggregate provision for impairment in value of Investments		-		-
1.1 Category-wise Investments - Non-Current				
		As at 31st March, 2017		₹ in lakhs As at 31st March, 2016
Financial assets measured at Cost		97 00		97 00
Financial assets measured at Fair value Through Profit and Loss		3738 82		985 02
Total Investments - Non-Current		<u>3835 82</u>		<u>1082 02</u>

Notes to the Financial Statements for the year ended 31st March, 2018

	As at 31st March, 2018	₹ in lakhs As at 31st March, 2017	
2 Loans - Non-Current			
(Unsecured and considered good)			
Loan to related parties (Refer Note 25 & 26)	200 00	204 62	
Loan to others	-	12	
	<u>200 00</u>	<u>204 74</u>	
3 Other Non-Current Assets			
(Unsecured and considered good)			
Advance payment of taxes (net of provisions) [Refer Note 20(b)]	4 93	-	
	<u>4 93</u>	<u>-</u>	
4 Deferred Tax Liabilities / (Asset) (net)			
The movement on the deferred tax account is as follows:			
At the start of the year	75 88	-	
Charge/(credit) to Statement of Profit and Loss (Note 20)	(84 90)	75 88	
At the end of year	<u>(9 02)</u>	<u>75 88</u>	
Component of Deferred Tax Liabilities / (Asset)	As at 31st March, 2017	Charged/ (Credit) to Statement of profit or loss	₹ in lakhs As at 31st March, 2018
Deferred Tax Liabilities in relation to:			
Financial assets	75 88	(84 90)	(9 02)
Total	<u>75 88</u>	<u>(84 90)</u>	<u>(9 02)</u>
5 Investments - Current			
Investments measured at Fair Value Through Profit and Loss			
In Equity shares - Quoted fully paid up	553 73		1933 72
Total Investments - Current	<u>553 73</u>		<u>1933 72</u>
Aggregate amount of Quoted Investments	553 73		1933 72
Market Value of Quoted Investments	553 73		1933 72
5.1 Category-wise Investments - Current			
Financial assets measured at Fair value Through Profit and Loss	553 73		1933 72
Total Investments - Current	<u>553 73</u>		<u>1933 72</u>

Notes to the Financial Statements for the year ended 31st March, 2018

	As at 31st March, 2018	₹ in lakhs As at 31st March, 2017
6 Trade Receivables (Unsecured and Considered Good)		
Trade receivable	4 20	16 16
	<u>4 20</u>	<u>16 16</u>
7 Cash and Cash Equivalents		
Cash on hand	-	-
Balance with banks:		
In current accounts	54	3 25
	<u>54</u>	<u>3 25</u>
8 Loans - Current		
Secured and considered good		
Loan to others	152 00	152 00
Unsecured and considered good		
Loan to related parties (Refer Note 25 & 26)	-	73 00
Loan to others	12 00	40 00
	<u>12 00</u>	<u>113 00</u>
	<u>164 00</u>	<u>265 00</u>
9 Other Financial Assets - Current		
Interest receivable	26 45	3 48
Interest accrued on investments	5 14	72
Dividend receivable	-	16
Income receivable from Venture funds	40 41	50 01
	<u>72 00</u>	<u>54 37</u>

Notes to the Financial Statements for the year ended 31st March, 2018

10 Equity Share Capital	As at 31st March, 2018		₹ in lakhs As at 31st March, 2017	
	Units	Amount	Units	Amount
Authorised :				
Equity Shares of ₹ 10 each	2,900,000	2 90	2,900,000	2 90
Preference Shares of ₹ 1 each	1,000,000	10	1,000,000	10
		<u>300</u>		<u>300</u>
Issued, Subscribed and Paid up:				
Equity Shares of ₹ 10 each fully paid up	2,691,150	2 69	2,691,150	2 69
		<u>2 69</u>		<u>2 69</u>

Note

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

Name of the Shareholders	As at 31st March, 2018		As at 31st March, 2017	
	No. of shares	Held (%)	No. of shares	Held (%)
Reliance Industries Limited (Holding Company)	26,91,150	100.00	26,91,150	100.00

b) Reconciliation of Equity shares outstanding at the beginning and at the end of the year

	As at 31st March, 2018 Nos.	As at 31st March, 2017 Nos.
Equity shares at the beginning of the year	26,91,150	26,91,150
Add : Shares issued during the year	-	-
Equity shares at the end of the year	<u>26,91,150</u>	<u>26,91,150</u>

Rights, Preferences and Restrictions attached to shares.

The Equity 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.

11 Other Equity	As at 31st March, 2018		₹ in lakhs As at 31st March, 2017	
Capital Redemption Reserve				
As per last Balance Sheet		10		10
Securities Premium Reserve				
As per Last Balance Sheet		2347 85		2347 85
Statutory Reserve Fund				
As per last Balance Sheet	169 68		71 93	
Add: Transferred from Retained Earnings	<u>66 95</u>		<u>97 75</u>	
		236 63		169 68
Retained Earnings				
As per Last Balance Sheet	855 69		523 23	
Add: Profit for the year	<u>321 65</u>		<u>430 21</u>	
	1177 34		953 44	
Less: Appropriations				
Transferred to Statutory Reserve Fund	<u>66 95</u>		<u>97 75</u>	
		1110 39		855 69
Total		<u>3694 97</u>		<u>3373 32</u>

Notes to the Financial Statements for the year ended 31st March, 2018

	As at 31st March, 2018	₹ in lakhs As at 31st March, 2017
12 Borrowings - Current		
Unsecured - at Amortised Cost		
Loans from Holding Company	1139 50	100 00
	<u>1139 50</u>	<u>100 00</u>
13 Trade Payables		
The Company does not have any creditors governed by the Micro, Small and Medium Enterprises Development Act, 2006.		
14 Other Financial Liabilities - Current	As at 31st March, 2018	₹ in lakhs As at 31st March, 2017
Others payables *	5 62	1 69
* Includes statutory dues, and provision for revenue expenditure	<u>5 62</u>	<u>1 69</u>
15 Provisions - Current	As at 31st March, 2018	₹ in lakhs As at 31st March, 2017
Contingent provision against standard asset #	1 46	4 05
Provision for taxation (net) [Refer Note 20(b)]	-	1 62
	<u>1 46</u>	<u>5 67</u>
# Created pursuant to Section 45JA of the Reserve Bank of India Act, 1934 and Para 14 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.		
Provision required ₹ 146 lakhs (previous year ₹ 164 lakhs)		
16 Revenue from Operations	2017-18	₹ in lakhs 2016-17
Interest on loans	38 80	25 28
Income from Long term investments		
Income from investment in venture funds	60 54	120 40
Dividend on investments	8 98	-
Dividend from venture fund	-	5 78
Interest on investments	21 14	47
Realised Gain	18 87	81 00
Unrealised Gain	29 32	41 61
	<u>138 85</u>	<u>249 27</u>
Income from Current investments		
Dividend on stock in trade	17 75	26 52
Interest on stock in trade	-	19 16
Realised Gain	199 41	145 57
Unrealised Gain	10 48	190 73
	<u>227 62</u>	<u>381 98</u>
	<u>405 29</u>	<u>656 53</u>

Notes to the Financial Statements for the year ended 31st March, 2018

	2017-18	₹ in lakhs 2016-17
17 Other Income		
Advisory income	27	61
Reversal of general provision on Standard Assets	2 59	-
	<u>286</u>	<u>61</u>
		₹ in lakhs 2016-17
18 Finance Cost	2017-18	
Interest on Loans	54 08	15 87
	<u>54 08</u>	<u>15 87</u>
		₹ in lakhs 2016-17
19 Other Expenses	2017-18	
Auditors remuneration		
Statutory audit fees	5	6
Tax audit fees	1	1
Certification fees (previous year ₹ 5725/-)	-	0
	<u>6</u>	<u>7</u>
Professional fees	79	34
Brokerage	33	32
Securities transaction tax	6 42	4 07
Demat/Custodian charges (previous year ₹ 8209/-)	4	0
Filing fees (₹ 5526/- , previous year ₹ 4830/-)	0	0
Directors sitting fees	10	8
Charity and donations *	6 10	2 53
General expenses	17	2
	<u>14 01</u>	<u>7 43</u>

* Expenditure related to Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof

- CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the company during the year is ₹ 609 lakhs (previous year ₹ 252 lakhs).
- Expenditure related to CSR is ₹ 610 lakhs (previous year ₹ 253 lakhs) is spent through Reliance Foundation

Particulars	2017-18	₹ in lakhs 2016-17
Rural Transformation	3 55	2 00
Education	1 15	53
Animal Welfare	1 40	-
Total	<u>6 10</u>	<u>2 53</u>

Notes to the Financial Statements for the year ended 31st March, 2018

	Year ended 31st March, 2018	₹ in lakhs Year ended 31st March, 2017
20 Taxation		
a) Income Tax recognised in Statement of Profit and Loss		
Current Tax		
In respect of the current year	103 00	127 75
In respect of prior year	30	-
Deferred Tax	(84 90)	75 88
Total income tax expenses recognised in the current year	<u>18 40</u>	<u>203 63</u>
The income tax expenses for the year can be reconciled to the accounting profit as follows:		
	As at 31st March, 2018	₹ in lakhs As at 31st March, 2017
Profit Before Tax	340 05	633 84
Applicable Tax Rate	34.61%	34.61%
Computed Tax Expense	117 69	219 36
Tax Effect of :		
Income not taxable	(14 69)	(128 23)
Expenses disallowed	30	79
MAT Credit Generated	-	35 83
Current Tax Provision (A)	<u>103 30</u>	<u>127 75</u>
Incremental (reversal) Deferred Tax Liability on account of Financial Assets & Other items	<u>(84 90)</u>	<u>75 88</u>
Deferred Tax Provision (B)	<u>(84 90)</u>	<u>75 88</u>
Tax Expenses recognised in Statement of Profit and Loss (A+B)	<u>18 40</u>	<u>203 63</u>
	As at 31st March, 2018	₹ in lakhs As at 31st March, 2017
b) Current Tax Assets (Net)		
At start of year	(1 62)	1 70
Charge for the year	(103 00)	(127 75)
Tax paid during the year	109 55	124 43
At end of year	<u>4 93</u>	<u>(1 62)</u>
21 Earnings per share (EPS)	2017-18	2016-17
i) Net Profit after Tax as per Statement of Profit and Loss Account attributable to Equity Shareholders (₹ in lakhs)	321 65	430 21
ii) Weighted average number of equity shares used as denominator for calculating EPS	26 91 150	26 91 150
iii) Basic, as well as diluted earnings per equity share (₹)	1,195.22	1,598.61
iv) Face value per equity share (₹)	10	10

Notes to the Financial Statements for the year ended 31st March, 2018

22 The Previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.

23 Contingent Liabilities

	As at 31st March, 2018 ₹ in lakhs	As at 31st March, 2017 ₹ in lakhs
i) Commitments towards venture fund units	109 86	37 01
ii) Bond executed in favour of Central Excise (for Holding Company)	400 00	400 00

24 Segment Reporting

The Company is engaged in business of finance, Trading / investments in shares and securities in India only and there are no separate business / geographical segments as per Ind AS 108- "Operating Segment". The Board (the 'Chief Operating Decision Maker' as defined in Ind AS 108 'Operating Segments'), monitors the operating results of the entity's business for the purpose of making decisions about resource allocation and performance assessment.

25 Disclosure under Para 2 of Schedule V of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015

a) Loans and advances in the nature of loans

(₹ in lakhs)

Sr. No.	Name of the Company		As at 31st March, 2018	Maximum balance during the year	As at 31st March, 2017	Maximum balance during the year
1	Reliance Jio Digital Services Limited	Fellow	-	241 50	73 00	7300
2	Reliance Corporate IT Park Limited ^	Subsidiary	-	22 53	4 62	8 05
3	Reliance Commercial Dealers Limited	Company	200 00	200 00	200 00	200 00
4	Finetech Corporation Private Limited ^^		-	12	12	12
5	JM Financial Products Limited		-	25 00	25 00	25 00
6	Epitome Homes Private Limited		-	15 00	15 00	15 00
7	RSC Infrarealty LLP		152 00	152 00	152 00	152 00
8	Saavn Media Private Limited	Others	12 00	12 00	-	-
9	Raghuleela Builders Private Limited		-	-	-	100 00
10	RAP Enterprises LLP		-	-	-	225 00
11	VKP Enterprises LLP		-	-	-	350 00
12	Jewels Buildcon Private Limited		-	-	-	22 00
13	Nexg Ventures India Private Limited		-	-	-	153 25

^ Loan given to Reliance Commercial Trading Private Limited (RCTPL). RCTPL amalgamated with Reliance Corporate IT Park Limited w.e.f. 04.09.2017

^^ Loan given to Reliance Petro Distribution Private Limited (RPDPL). RPDPL amalgamated with Fine Tech Corporation Private Limited w.e.f. 09.11.2017

Loans and advances shown above are towards business purpose,

- under item no. 1 is short term interest bearing loan, repaid during the year
- under item nos. 2, 3 & 4 are long term zero coupon optionally convertible loans
- under item no. 5 to 8 are short term interest bearing loan

b) Investment by the loanee in the shares of the Company is NIL

Notes to the Financial Statements for the year ended 31st March, 2018

26 Related Party

i) As per Ind AS 24, the disclosures of transactions with the related parties are given below :

List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industries Limited	Holding Company
2	Model Economic Township Limited	Subsidiary Companies
3	Cluster Commercial Private Limited (Upto 14.05.2017)	
4	Devashree Commercials Private Limited (Upto 14.05.2017)	
5	Dignity Mercantile Private Limited (Upto 14.05.2017)	
6	Girisha Commercials Private Limited (Upto 14.05.2017)	
7	Resolute Land Consortium Projects Limited (from 19.07.2017)	
8	Santol Commercials Private Limited (from 19.07.2017)	
9	Tangerine Agro Private Limited (from 19.07.2017)	
10	Jalaja Commercials Private Limited (from 19.07.2017 to 28.03.2018)	
11	Aanant Commercials Private Limited (from 19.07.2017 to 28.03.2018)	
12	Reliance Strategic Investments Limited	
13	Reliance Corporate IT Park Limited	
14	Reliance Commercial Trading Private Limited #	
15	Reliance Commercial Dealers Limited	
16	Reliance Jio Digital Services Limited	
17	Komal Chhapru (From 28.09.2017)	Key Managerial Personnel
18	Gopalakrishnan J (From 28.09.2017 to 28.02.2018)	
19	Tapas Mitra	

Amalgamated with Reliance Corporate IT Park Limited w.e.f. 04.09.2017

(₹ in lakhs)					
ii) Transactions during the year with related parties:	Holding Company	Subsidiary Company	Fellow Subsidiary Companies	Key Managerial Personnel	Total
Nature of Transaction					
1 Loans taken / (repaid) (net)	1039 50 (5 27)	-	-	-	1039 50 (5 27)
2 Loan given / (returned) (net)	-	-	(77 62) 69 70	-	(77 62) 69 70
3 Sale of investments	- 524 49	-	- 264 38	-	- 788 87
4 Interest income	-	-	7 50 11	-	7 50 11
5 Interest expense	54 08 15 87	-	-	-	54 08 15 87
6 Professional Fees	19* 31	-	55	6	80 31

Notes to the Financial Statements for the year ended 31st March, 2018

26 Related Party (Continued)

(₹ in lakhs)					
ii) Transactions during the year with related parties: Nature of Transaction	Holding Company	Subsidiary Company	Fellow Subsidiary Companies	Key Managerial Personnel	Total
Balance as on 31st March, 2018					
1 Equity share capital (including premium)	2350 55 <i>2350 55</i>	-	-	-	2350 55 <i>2350 55</i>
2 Loan taken	1139 50 <i>100 00</i>	-	-	-	1139 50 <i>100 00</i>
3 Loans given	-	-	200 00 <i>277 62</i>	-	200 00 <i>277 62</i>
4 Other payable	(17) <i>-</i>	-	(59) <i>-</i>	-	(76) <i>-</i>
5 Interest receivable	-	-	-	-	-
	-	-	<i>10</i>	-	<i>10</i>
6 Investments	-	97 00 <i>97 00</i>	-	-	97 00 <i>97 00</i>

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

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

Particulars	Relationship	2017-18 (₹ in lakhs)	2016-17 (₹ in lakhs)
1 Loans taken / (repaid) (net)			
Reliance Industries Limited	Holding Company	1039 50	(5 27)
2 Loan Given / (returned) (net)			
Reliance Jio Digital Services Limited	Fellow Subsidiary Company	(73 00)	73 00
Reliance Commercial Trading Private Limited	Fellow Subsidiary Company	(4 62)	(3 30)
3 Sale of Investments			
Reliance Industries Limited	Holding Company	-	524 49
Reliance Strategic Investments Limited	Fellow Subsidiary Company	-	264 38
4 Interest Income			
Reliance Jio Digital Services Limited	Fellow Subsidiary Company	7 50	11
5 Interest expense			
Reliance Industries Limited	Holding Company	54 08	15 87
6 Professional fees			
Reliance Industries Limited	Holding Company	19*	0
Reliance Corporate IT Park Limited	Fellow Subsidiary Company	55	31
Komal Chhapru	Key Managerial Personnel	1	-
Gopalakrishnan	Key Managerial Personnel	2	-
Tapas Mitra	Key Managerial Personnel	3	-

* Includes remuneration paid to Key Managerial Personnel on secondment basis ₹ 3 lakhs

Notes to the Financial Statements for the year ended 31st March, 2018

27 Capital Management

The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders. The company manages its capital structure and make adjustment in light of changes in business condition. The overall strategy remains unchanged as compare to last year.

	As at 31st March, 2018	₹ in lakhs As at 31st March, 2017
The Net Gearing Ratio at end of the reporting period was as follows		
Gross Debt	1139 50	100 00
Cash and Marketable Securities	(54)	(3 25)
Net debt (A)	1138 96	96 75
Total Equity (as per Balance Sheet) (B)	3697 66	3376 01
Net Gearing Ratio (A/B)	0.31	0.03

28 Financial Instruments

A. Fair Valuation Measurement hierarchy

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	Carrying Amount	Level of input used in		Carrying Amount	Level of input used in	
		Level 1	Level 2		Level 1	Level 2
Financial Assets						
At Amortised Cost						
Investments	-	-	-	-	-	-
Trade Receivables	420	-	-	16 16	-	-
Cash and Cash Equivalents	54	-	-	3 25	-	-
Loans	364 00	-	-	469 74	-	-
Other Financial Assets	72 00	-	-	54 37	-	-
At FVTPL						
Investments	4292 55	2328 24	1964 31	985 02	164 47	820 55
At FVTOCI						
Investments	-	-	-	-	-	-
Financial Liabilities						
At Amortised Cost						
Borrowings	1139 50	-	-	100 00	-	-
Trade Payables	-	-	-	-	-	-
Other Financial liabilities	-	-	-	-	-	-
At FVTPL	-	-	-	-	-	-

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below :

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Valuation Methodology

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

The fair value of investment in quoted Equity Shares, Bonds, and Mutual / Venture Funds is measured at quoted price or NAV

Notes to the Financial Statements for the year ended 31st March, 2018

B. Financial Risk Management

Different type of the risk the Company exposed are as under:

Interest rate risk

Company's borrowing is only through its holding company viz Reliance Industries Limited, it has no borrowing from Bank/FI etc. Interest payable against such borrowing is as per agreed terms.

Credit risk

Credit risk is the risk that a Broker or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the company.

It arises from cash and cash equivalents, derivative financial instruments, deposits with Banks and from credit exposures relating to outstanding receivables.

The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities.

Liquidity risk

Liquidity risk is the risk that suitable sources of funding for the company's business activities may not be available. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. Company manages liquidity risk by maintaining adequate reserves and matching maturity profiles of financial assets and financial liabilities.

Market risk

Companies main activity is to do trading in financial instruments viz. equity shares, debentures, bonds, derivatives etc. This market is influenced by domestic / international political, financial and other events occurring on day to day basis. Hence the market is constantly volatile and uncertain. Company has strong treasury philosophies and practices and is well geared to meet the challenges of volatile market conditions.

29 Approval of Financial Statements

The Financial statements were approved for issue by the Board of Directors on 18th April, 2018.

As per our Report of even date		For and on behalf of the Board	
For Chaturvedi & Shah Firm Registration No : 101720W Chartered Accountants	For Rajendra & Co. Firm Registration No : 108355W Chartered Accountants	K. Sethuraman Chairman	
		Jagannatha Kumar Director	Jayashri Rajesh Director
Jignesh Mehta Partner Membership No. 102749	Sanket M. Shah Partner Membership No. 148270	Dhiren Dalal Independent Director	B Chandrasekaran Independent Director
Mumbai Date : 18th April, 2018		Komal Chhapru Company Secretary	Suresh Jagannathan Chief Financial Officer