

CARO 2015 Report on the consolidated financial statement of Reliance Brands Limited for the year ended March 31, 2015

To the Members of Reliance Brands Limited

We refer to our report on the consolidated financial statements of Reliance Brands Limited (the company) for the year ended March 31, 2015 issued on April 11, 2015. The Gazette version of the Companies (Auditors' Report) Order, 2015 (CARO 2015) was not available in the Official Gazette of India on the date of our report. Accordingly, our report did not contain an Annexure on the matters specified in paragraphs 3 and 4 of CARO 2015.

Subsequent to the issuance of our report dated April 11, 2015, CARO 2015 has been published in the Official Gazette of India. While it is not obligatory on our part to issue our report on the matters specified in paragraphs 3 and 4 of CARO 2015, based on the discussions with the company, as a measure of good governance, we give hereinafter a statement on the matters specified in paragraphs 3 and 4 of CARO 2015. This may be treated as an Annexure to our aforesaid Report on consolidated financial statements for the year ended March 31, 2015.

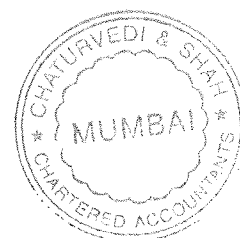
Our reporting on the CARO includes one subsidiary company incorporated in India, to which the CARO is applicable, is considered for reporting under the CARO in the case of the consolidated financial statements. In respect of five jointly controlled companies incorporated in India, which have been included in the consolidated financial statements based on unaudited financial statements / financial information of such entities provided to us by the Management, whilst in our opinion, and according to the information and explanations given to us, reporting under the CARO is applicable in respect of these entities, since these entities are unaudited, the possible effects of the same on our reporting under the CARO in the case of these consolidated financial statements has not been considered.

1. In respect of the fixed assets of the Holding Company and one subsidiary company incorporated in India :
 - a. The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
2. In respect of the inventories of the Holding Company and one subsidiary companies incorporated in India :
 - a. As explained to us, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management of respective



entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.

- c. In our opinion and according to the information and explanations given to us, the respective entities has maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
3. The Holding Company and subsidiary company incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system in the Holding Company and subsidiary company incorporated in India, commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit and no continuing failure to correct major weaknesses in such internal control system has been observed.
5. According to the information and explanations given to us, the Holding Company and subsidiary 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 thereunder. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
6. Cost records as prescribed by the Companies (Cost Records and Audit) Rules, 2014, as amended and notified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the Holding Company and its one subsidiary for the financial year under audit.
7. According to the information and explanations given to us, in respect of statutory dues of the Holding Company and subsidiary company incorporated in India:
 - a. The respective entities have been regularly in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess, and other material statutory dues applicable to the respective entities with the appropriate authorities. According to the information and explanation given to us no undisputed amounts payable by respective entities in respect of Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess, and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax , Cess on account of any dispute, which have not been deposited.
 - c. There are no amounts that are due to be transferred by the aforesaid entities to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.

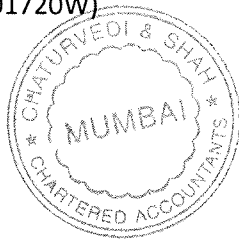


8. The Group's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Group has incurred cash losses on a consolidated basis during the financial year covered under our audit and in the immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the Holding Company incorporated in India has not defaulted in the repayment of dues to banks. The Holding Company and subsidiary company have not borrowed any funds from financial institutions and not issued any debentures during the year under audit. Further subsidiary company have not borrowed any funds from banks also during the year under audit.
10. According to information and explanation given to us, the Holding Company and subsidiary companies incorporated in India have not given guarantees for loans taken by others from banks and financial institutions.
11. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Holding Company and one subsidiary company incorporated in India during the year for the purposes for which they were obtained.
12. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Holding Company, its subsidiary company incorporated in India and no material fraud on the Holding Company and subsidiary company incorporated in India has been noticed or reported during the year.

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



Jignesh Mehta
Partner
Membership No. 102749



Place: Mumbai
Date: June 02, 2015