

Reliance Aerospace Technologies Limited

Independent Auditor's Report

To the Members of Reliance Aerospace Technologies Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance Aerospace Technologies 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 were 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 profit 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 does not have any pending litigations which would impact on its financial position.
 - ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Jignesh Mehta
Partner
Membership No.: 102749
Mumbai
Date: 20th 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:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) 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.
 - c) As the Company has no immovable assets during the year, clause (c) (i) of paragraph 3 of the Order is not applicable to the company.
- ii) As the Company had no Inventories during the year, clause (ii) of paragraph 3 of the Order is not applicable to the Company.
- 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 granted any loans, investments, guarantees and securities covered under section 185 and 186 of the Act.
- 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) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.
- vii) In respect of Statutory dues:
 - a) According to the records of the Company, undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31, 2016 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess on account of any dispute, which have not been deposited.
- viii) The Company has not raised loans from financial institutions or banks or by issue of debentures and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- ix) The term loans were applied for the purpose for which the loans were obtained.
- 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) Company has not paid any managerial remuneration during the year and hence clause (xi) of paragraph 3 of the Order is not applicable to the Company.
- 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 respect to transaction with Related Parties:
 - a) In our opinion and according to the information and explanations given to us, section 177 of the Act is not applicable to the Company.

- b) In our opinion and according to the information and explanations given to us, Company is in compliance with the section 188 of the Act and 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 **Chaturvedi & Shah**
Chartered Accountants
(Firm Registration no. 101720W)

Jignesh Mehta
Partner
Membership No.: 102749
Mumbai
Date: 20th 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 Aerospace Technologies Limited** (“the company”) as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year then ended.

Management Responsibility for the Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

Jignesh Mehta
Partner
Membership No.: 102749

Mumbai
Date: 20th April, 2016

Balance Sheet as at 31st March, 2016

	Note	As at 31st March, 2016	As at 31st March, 2015	₹
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	1	5 00 000	5 00 000	
Reserves and Surplus	2	(1 34 13 573)	(1 35 32 356)	
		(1 29 13 573)	(1 30 32 356)	
Non-Current Liabilities				
Long Term Borrowings	3	1 35 00 000	1 35 00 000	
Other Long Term Liabilities	4	12 54 233	8 51 633	
Long Term Provisions	5	5 22 963	5 22 963	
		1 52 77 196	1 48 74 596	
Current Liabilities				
Trade Payables	6	-	-	
Micro and Small Enterprises		-	-	
Others		1 21 985	2 05 363	
Other Current Liabilities	7	1 51 074	1 12 466	
Short Term Provisions	8	5 33 965	5 33 965	
		8 07 024	8 51 794	
Total		31 70 647	26 94 034	
ASSETS				
Non-Current Assets				
Fixed Assets				
Tangible Assets	9	6 52 684	8 15 966	
Long Term Loans and Advances	10	21 00 018	13 36 982	
		27 52 702	21 52 948	
Current Assets				
Cash and Bank Balances	11	3 26 863	4 79 720	
Short Term Loans and Advances	12	91 082	61 366	
		4 17 945	5 41 086	
Total		31 70 647	26 94 034	
Significant Accounting Policies				
Notes on Financial Statements	1 to 20			

As per our Report of even date

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

Jignesh Mehta
Partner
Membership No.102749

Place: Mumbai
Dated: April 20, 2016

For and on behalf of the Board

Rajan Luthra
Director

Ramesh Damani
Director

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

	Note	2015-16	₹ 2014-15
INCOME			
Revenue from Operations			
Income from Services	90	34 575	1 52 30 398
Less: Service tax recovered	11	24 575	16 75 398
Net Revenue from Operations		79 10 000	1 35 55 000
Other Income	13	-	2 56 101
Total Revenue		79 10 000	1 38 11 101
EXPENDITURE			
Employee Benefits Expense	14	68 26 804	1 23 68 770
Finance Costs	15	4 08 738	8 60 450
Depreciation		1 63 282	425
Other Expenses	16	3 64 429	4 84 278
Total Expenses		77 63 253	1 37 13 923
Profit Before Tax		1 46 747	97 178
Tax Expense			
Current Tax		27 964	18 518
Profit for the Year		1 18 783	78 660
Earnings per equity share of face value of ₹ 10 each			
Basic and Diluted (in ₹)	18	2.38	1.57
Significant Accounting Policies			
Notes on Financial Statements	1 to 20		

As per our Report of even date

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

Jignesh Mehta
Partner
Membership No.102749

Place: Mumbai
Dated: April 20, 2016

For and on behalf of the Board

Rajan Luthra
Director

Ramesh Damani
Director

Cash Flow Statement for the year 2015-16

	2015-16	2014-15
₹		
A: CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax as per Statement of Profit and Loss	1 46 747	97 178
Adjusted for:		
Depreciation	1 63 282	425
Finance Costs	4 08 738	8 60 450
	<u>5 72 020</u>	<u>8 60 875</u>
Operating Profit before Working Capital Changes	7 18 767	9 58 053
Adjusted for:		
Trade and Other Receivables	(29 716)	(56 152)
Trade and Other Payables	(44 770)	(6 36 441)
	<u>(74 486)</u>	<u>(6 92 593)</u>
Cash Generated from Operations	6 44 281	2 65 460
Taxes paid	(7 91 000)	(13 55 500)
Net Cash (Used in) Operating Activities	(1 46 719)	(10 90 040)
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	-	(8 16 391)
Net Cash (Used in) Investing Activities	-	(8 16 391)
C: CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	1 91 00 000	1 50 00 000
Repayment of Long Term Borrowings	(1 91 00 000)	(1 35 00 000)
Interest paid	(6 138)	(8 817)
Net Cash (Used in)/ Generated from Financing Activities	(6 138)	14 91 183
Net (Decrease) in Cash and Cash Equivalents	(1 52 857)	(4 15 248)
Opening Balance of Cash and Cash Equivalents	4 79 720	8 94 968
Closing Balance of Cash and Cash Equivalents	3 26 863	4 79 720

As per our Report of even date

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

Jignesh Mehta
Partner
Membership No.102749

Place: Mumbai
Dated: April 20, 2016

For and on behalf of the Board

Rajan Luthra
Director

Ramesh Damani
Director

Significant Accounting Policies

A Basis of preparation of financial statements

These financial statements have been prepared to comply with Generally Accepted Accounting Principles in India (Indian GAAP), the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

The financial statements are prepared on accrual basis under the historical cost convention.

B Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, 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.

C Fixed Assets

Tangible Assets

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprises its purchase price, and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

D Depreciation

Tangible Assets

Depreciation on fixed assets is provided to the extent of depreciable amount on the Straight Line Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of Vehicles, where useful life is 5 years.

E Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

F Revenue Recognition

Revenue is recognised only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of services and service tax, adjusted for discounts (net). Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

G Employee Benefits

Short term employee benefits

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.

Post employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions. The

Company makes specified monthly contributions towards Provident 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.

Defined benefit plans

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.

Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Statement of Profit and Loss.

H Income Taxes

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

I Provisions, Contingent Liabilities and Contingent Assets

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the financial statements.

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

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

1. Share Capital	₹	
	As at 31st March, 2016	As at 31st March, 2015
Authorised Share Capital:		
75,000 Equity shares of ₹ 10 each (75,000)	7 50 000	7 50 000
25,000 Preference shares of ₹ 10 each (25,000)	2 50 000	2 50 000
Total	10 00 000	10 00 000
Issued, Subscribed and Paid-up:		
50,000 Equity shares of ₹ 10 each fully paid up (50,000)	5 00 000	5 00 000
Total	5 00 000	5 00 000

1.1 The details of Shareholder holding more than 5% shares:

Name of the Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	% held	No. of Shares	% held
Reliance Industrial Investments And Holdings Limited (Holding Company)	50,000	100.00	50,000	100.00

1.2 Reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31st March, 2016	As at 31st March, 2015
	No. of shares	No. of shares
Equity Shares at the beginning of the year	50,000	50,000
Add: Shares issued during the year	-	-
Equity Shares at the end of the year	50,000	50,000

2 Reserves and Surplus	₹	
	As at 31st March, 2016	As at 31st March, 2015
Profit and Loss Account		
As per last Balance Sheet	(1 35 32 356)	(1 36 11 016)
Add: Profit for the year	1 18 783	78 660
Total	(1 34 13 573)	(1 35 32 356)

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

	As at 31st March, 2016	As at 31st March, 2015
3. Long Term Borrowings		
Unsecured		
Loans and advances from Related Parties # (Refer Note 20)	1 35 00 000	1 35 00 000
Total	1 35 00 000	1 35 00 000
# Represents amount borrowed from the Holding Company for a period of 5 years.		
4. Other Long Term Liabilities		
Interest accrued but not due on Borrowings	12 54 233	8 51 633
Total	12 54 233	8 51 633
5. Long Term Provisions		
Provision for Employee Benefits	5 22 963	5 22 963
Total	5 22 963	5 22 963
6. Trade Payables		
The details of amounts outstanding to Micro and Small Enterprises based on available information with the Company is as under:		
	As at 31st March, 2016	As at 31st March, 2015
Principal amount due and remaining unpaid	-	-
Interest due on above and the 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 remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-
7. Other Current Liabilities		
Other Payables *	1 51 074	1 12 466
Total	1 51 074	1 12 466
* Includes Statutory dues.		
8. Short Term Provisions		
Provision for Employee Benefits	5 33 965	5 33 965
Total	5 33 965	5 33 965

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

₹

9. Fixed Assets

Description	Gross Block			Depreciation			Net Block	
	As at 1st April, 2015	Additions	Deductions/ Adjustments	As at 31st March, 2016	As at 1st April, 2015	For the year	As at 31st March, 2016	As at 31st March, 2015
Tangible assets								
Own Assets:								
Vehicles	8 16 391	-	-	8 16 391	425	1 63 282	1 63 707	8 15 966
Total	8 16 391	-	-	8 16 391	425	1 63 282	1 63 707	8 15 966
Previous year	-	8 16 391	-	8 16 391	-	425	425	8 15 966

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

	As at	As at
	31st March, 2016	31st March, 2015
10. Long Term Loans and Advances		₹
(Unsecured and Considered Good)		As at
Advance Income Tax (Net of Provision)	21 00 018	13 36 982
Total	21 00 018	13 36 982
11. Cash and Bank Balances		₹
	As at	As at
	31st March, 2016	31st March, 2015
Cash and Cash Equivalent		
Bank Balance in Current Accounts	3 26 863	4 79 720
Total	3 26 863	4 79 720
12. Short Term Loans and Advances		₹
(Unsecured and Considered Good)		As at
Balance with Customs, Central Excise authorities	631	-
Others	90 451	61 366
Total	91 082	61 366
13. Other Income		₹
	2015-16	2014-15
Other Income	-	2 56 101
Total	-	2 56 101
14. Employee Benefits Expense		₹
	2015-16	2014-15
Salaries and Wages	59 52 282	1 04 18 645
Contribution to Provident and Other funds	2 98 815	4 92 849
Staff Welfare Expenses	5 75 707	14 57 276
Total	68 26 804	1 23 68 770

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

Defined Contribution Plan

Contribution to defined contribution plan, recognised as an expense for the year is as under:

	2015-16	2014-15
Employer's contribution to Provident Fund	2 34 295	3 92 032
Employer's contribution to Pension Scheme	40 000	55 127

Defined Benefit Plan

The present value of obligation for gratuity is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for Compensated Absences is recognised in the same manner as gratuity.

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

The Company operates post retirement benefit plans as follows:

I. Reconciliation of opening and closing balances of Defined Benefit Obligation

₹

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Defined Benefit obligation at beginning of the year	5 38 623	6 64 340	5 18 305	7 24 699
Current Service Cost	-	1 32 427	-	40 774
Interest Cost	-	53 147	-	57 976
Actuarial (gain)/ loss	-	(3 11 291)	-	(2 29 134)
Benefits paid	-	-	-	(76 010)
Defined Benefit obligation at year end	5 38 623	5 38 623	5 18 305	5 18 305

II. Reconciliation of fair value of assets and obligations

₹

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Fair value of Plan assets	-	-	-	-
Present value of obligation	5 38 623	5 38 623	5 18 305	5 18 305
Amount recognised in Balance Sheet	5 38 623	5 38 623	5 18 305	5 18 305

III. Expenses recognised during the year

₹

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
Current Service Cost	-	1 32 427	-	40 774
Interest Cost	-	53 147	-	57 976
Actuarial (gain)/ loss	-	(3 11 291)	-	(2 29 134)
Net Benefit expense/ (income)	-	(1 25 717)	-	(1 30 384)

IV. Actuarial assumptions

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2015-16	2014-15	2015-16	2014-15
	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)
Mortality Table				
Discount rate (per annum)	8%	8%	8%	8%
Rate of escalation in salary (per annum)	6%	6%	6%	6%

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.

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

V. Amount recognised in current year and previous years			₹
Particular	As at 31st March		
	2016	2015	
Grauity			
Defined Benefit obligation	5 38 623	5 38 623	6 64 340
Fair value of planned assets	-	-	-
(Surplus)/ Deficit in the plan	5 38 623	5 38 623	6 64 340
Actuarial (gain)/ loss on plan obligation	-	(3 11 291)	4 86 166
Actuarial gain/ (loss) on plan assets	-	-	-
			₹
15. Finance Costs	2015-16		2014-15
Interest Expenses	4 08 738		8 60 450
Total	4 08 738		8 60 450
			₹
16. Other Expenses	2015-16		2014-15
Establishment expenses			
Rates & Taxes	11 089	5 700	
Insurance	7 610	-	
Other Repairs	1 00 606	-	
Payment to Auditors	23 025	17 000	
Travelling Expenses	1 45 192	3 13 516	
General Expenses	76 907	1 48 062	
	3 64 429		4 84 278
Total	3 64 429		4 84 278
			₹
16.1 Payment to Auditors as:	2015-16		2014-15
(a) Auditor:			
Statutory Audit Fees	13 000		12 000
Tax Audit Fees	5 000		-
(b) Certification fees	5 025		5 000
	23 025		17 000
			₹
17	There is no separate Reportable Segment as per the Accounting Standard on Segment Reporting (AS 17).		
18 Earnings per share (EPS)	2015-16		2014-15
(i) Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	1 18 783		78 660
(ii) Weighted Average number of equity shares used as denominator for calculating EPS	50 000		50 000
(iii) Basic and diluted earnings per share (₹)	2.38		1.57
(iv) Face Value per equity share (₹)	10		10

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

19 Deferred Tax Asset (Net)	As at 31st March, 2016	₹ As at 31st March, 2015
Deferred Tax Liability		
Related to Fixed Assets	3 736	20 667
Deferred Tax Assets		
Unabsorbed depreciation, disallowances and business loss carried forward under Income Tax Act, 1961	46 10 582	46 28 167
Total	46 06 846	46 07 500

19.1 Deferred tax assets being higher than deferred tax liabilities, the Company recognizes deferred tax assets only to the extent of deferred tax liabilities on a conservative basis and any excess of deferred tax asset has not been given effect to in the balance sheet.

20 Related Party Disclosures

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

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

Sr.No.	Name of the Related party	Relationship
1	Reliance Industries Limited	Ultimate Holding Company
2	Reliance Industrial Investments And Holdings Limited	Holding Company
3	Reliance Corporate IT Park Limited	Fellow Subsidiary

(ii) Transactions during the year with related parties:

Sr. No.	Nature of Transactions (Excluding Reimbursements)	Ultimate Holding Company	Holding Company	Fellow Subsidiary	Total
1	Net unsecured loans taken/ (repaid)	-	-	-	-
		-	<i>15 00 000</i>	-	<i>15 00 000</i>
2	Revenue from Operations	-	-	90 34 575	90 34 575
		-	-	<i>1 52 30 398</i>	<i>1 52 30 398</i>
3	Finance Cost	-	4 08 738	-	4 08 738
		-	<i>8 60 450</i>	-	<i>8 60 450</i>
Balance as at 31st March, 2016					
4	Share capital	-	5 00 000	-	5 00 000
		-	<i>5 00 000</i>	-	<i>5 00 000</i>
5	Unsecured Loans	-	1 35 00 000	-	1 35 00 000
		-	<i>1 35 00 000</i>	-	<i>1 35 00 000</i>
6	Interest accrued but not due on Borrowings	-	12 54 233	-	12 54 233
		-	<i>8 51 633</i>	-	<i>8 51 633</i>

Figures in *italics* represents previous year's amount.

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

(iii) Disclosure in respect of Material Related Party Transactions during the year:				₹
Particulars	Relationship	2015-16	2014-15	
1 Net unsecured loans taken/ (repaid)				
Reliance Industrial Investments And Holdings Limited	Holding Company	-	15 00 000	
2 Revenue from Operations				
Reliance Corporate IT Park Limited	Fellow Subsidiary	90 34 575	1 52 30 398	
3 Finance Cost				
Reliance Industrial Investments And Holdings Limited	Holding Company	4 08 738	8 60 450	
Balance as at 31st March, 2016				
4 Unsecured Loans				
Reliance Industrial Investments And Holdings Limited	Holding Company	1 35 00 000	1 35 00 000	

As per our Report of even date

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

Jignesh Mehta
Partner
Membership No.102749

Place: Mumbai
Dated: April 20, 2016

For and on behalf of the Board

Rajan Luthra
Director

Ramesh Damani
Director