

Reliance Energy Generation and Distribution Limited

Independent Auditor's Report

To the Members of Reliance Energy Generation and Distribution Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance Energy Generation and Distribution 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 Loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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2. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
 - g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company 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 **Pathak H.D. & Associates**
Chartered Accountants
(Firm Registration no. 107783W)

Saurabh Pamecha
Partner
Membership No.: 126551
Mumbai
Date: 19th April, 2016

“Annexure A” to Independent Auditors’ Report

“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) As the Company had no Fixed assets during the year, clause (i) of paragraph 3 of the Order is not applicable to the company.
- ii) As explained to us, physical verification of the inventories have been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies were noticed on such physical verification.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.
- iv) Company has complied with the provisions of section 186 of the Act, in respect of investments, loans, guarantees or security given.
- 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) In our opinion and according to the information and explanations given to us, no amounts were due for repayment to debenture holders, the clause (viii) of paragraph 3 of the order is not applicable to the Company.
- ix) The company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans and hence clause (ix) of paragraph 3 of the order is not applicable to the company.
- x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) 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 of transactions 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.

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- xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the company.
- xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
- xvi) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Pathak H.D. & Associates**
Chartered Accountants
(Firm Registration no. 107783W)

Saurabh Pamecha
Partner
Membership No.: 126551
Mumbai
Date: 19th April, 2016

“Annexure B” to Independent Auditors’ Report

“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 Energy Generation and Distribution Limited** (“the company”) as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year then ended.

Management Responsibility for the Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or

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

Opinion

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

For **Pathak H.D. & Associates**
Chartered Accountants
(Firm Registration no. 107783W)

Saurabh Pamecha
Partner
Membership No.: 126551
Mumbai

Date: 19th 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 | 1 25 00 000 | | 1 25 00 000 | |
| Reserves and Surplus | 2 | 371 74 48 090 | | 371 74 72 700 | |
| | | 372 99 48 090 | | 372 99 72 700 | |
| Non-Current Liabilities | | | | | |
| Long Term Borrowings | 3 | 3263 37 00 000 | | | - |
| Current Liabilities | | | | | |
| Other Current Liabilities | 4 | 3319 50 17 175 | | 3263 37 18 917 | |
| TOTAL | | 6955 86 65 265 | | 3636 36 91 617 | |
| ASSETS | | | | | |
| Non-Current Assets | | | | | |
| Non-Current Investments | 5 | 3636 25 93 370 | | 3636 25 93 370 | |
| Current Assets | | | | | |
| Cash and Bank Balance | 6 | 5 39 187 | | 10 98 247 | |
| Other Current Assets | 7 | 3319 55 32 708 | | | - |
| TOTAL | | 6955 86 65 265 | | 3636 36 91 617 | |
| Significant Accounting Policies | | | | | |
| Notes on Financial Statements | 1 to 15 | | | | |

As per our Report of even date

For Pathak H. D. & Associates

Chartered Accountants

Registration No.: 107783W

Saurabh Pamecha

Partner

Membership No.:126551

Mumbai

Dated: April 19, 2016

For and on behalf of the Board

N Shanker

Director

Ashwin Khasgiwala

Director

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

| | Note | 2015-16 ₹ | 2014-15 ₹ |
|--|---------|------------------|------------------|
| INCOME | | | |
| Revenue from Operations | 8 | 2 08 243 | 2 33 541 |
| Miscellaneous Income | 9 | 4 310 | - |
| | | <u>2 12 553</u> | <u>2 33 541</u> |
| EXPENDITURE | | | |
| Purchases of Stock-in-Trade | | 2 07 570 | 2 32 906 |
| Other Expenses | 10 | 29 593 | 74 544 |
| | | <u>2 37 163</u> | <u>3 07 450</u> |
| Loss before tax | | (24 610) | (73 909) |
| Current Tax | | - | - |
| Loss for the year | | (24 610) | (73 909) |
| Earnings per equity shares of face value of ₹ 10 each | 11 | | |
| Basic (In ₹) | | (0.02) | (0.06) |
| Diluted (In ₹) | | (0.02) | (0.06) |
| Significant Accounting Policies | | | |
| Notes on Financial Statements | 1 to 15 | | |

As per our Report of even date

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

Saurabh Pamecha
Partner
Membership No.:126551

Mumbai
Dated: April 19, 2016

For and on behalf of the Board

N Shanker
Director

Ashwin Khasgiwala
Director

Cash Flow Statement for the year 2015-16

| | 2015-16 | | 2014-15 | |
|--|---------|-------------------------|---------|------------------|
| | ₹ | ₹ | ₹ | ₹ |
| A Cash Flow from Operating Activities | | | | |
| Net Loss before tax as per Profit and Loss Statement | | (24 610) | | (73 909) |
| Adjusted for: | | | | |
| Write Back of Liability | | (4 310) | | - |
| Operating Loss before Working Capital Changes | | (28 920) | | (73 909) |
| Adjusted for: | | | | |
| Trade and Other Receivables | - | | - | |
| Trade and Other Payables | 2 568 | | 1 124 | |
| | | 2 568 | | 1 124 |
| Cash (used in) from operations | | (26 352) | | (72 785) |
| Taxes paid (net) | | - | | - |
| Net Cash (used in) Operating Activities | | (26 352) | | (72 785) |
| B Cash Flow from Investing Activities | | | | |
| Share Application money given to Subsidiary | | (3319 55 32 708) | | - |
| Net Cash Generated from Financing Activities | | (3319 55 32 708) | | - |
| C Cash Flow from Financing Activities | | | | |
| Debenture Application money received | | 3319 50 00 000 | | - |
| Net Cash Generated from Financing Activities | | 3319 50 00 000 | | - |
| Net (Decrease) in Cash and Cash Equivalents | | (5 59 060) | | (72 785) |
| Opening Balance of Cash and Cash Equivalents | | 10 98 247 | | 11 71 032 |
| Closing Balance of Cash and Cash Equivalents | | 5 39 187 | | 10 98 247 |

As per our Report of even date

For Pathak H. D. & Associates

Chartered Accountants

Registration No.: 107783W

Saurabh Pamecha

Partner

Membership No.:126551

Mumbai

Dated: April 19, 2016

For and on behalf of the Board

N Shanker

Director

Ashwin Khasgiwala

Director

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

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

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

B. Use of Estimates

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

C. Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition.

D. Revenue Recognition

Revenue is recognised only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection.

E. Investments

Investments that are readily realisable and intended to be held for not more than 12 months from the date of acquisition are classified as current investment. All other investments are classified as non-current investments. Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

F. Foreign Currency Transactions

- a. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.
- b. Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- c. Non-monetary foreign currency items are carried at cost.
- d. In respect of foreign operations, which are non-integral operations, all assets and liabilities, both monetary and non-monetary, are translated at closing rate, while all income and expenses are translated at average exchange rate for the year. The resulting exchange differences are accumulated in the 'Foreign Currency Translation Reserve'
- e. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss,

G. Income Taxes

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

H. 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

1. Share Capital

| | As at 31st March, 2016 ₹ | As at 31st March, 2015 ₹ |
|---|--------------------------------|--------------------------------|
| Authorised: | | |
| 12,50,000 Equity Shares of ₹ 10 each (12,50,000) | 1 25 00 000 | 1 25 00 000 |
| | <u>1 25 00 000</u> | <u>1 25 00 000</u> |
| Issued, Subscribed and Paid up: | | |
| 12,50,000 Equity Shares of ₹ 10 each fully paid up (12,50,000) | 1 25 00 000 | 1 25 00 000 |
| | <u>1 25 00 000</u> | <u>1 25 00 000</u> |

a) Details of Shareholders holding more than 5% shares

| Name of the Shareholders | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|------------------------|--------|------------------------|--------|
| | Nos. of shares | % held | Nos. of shares | % held |
| Reliance Industries Limited (Holding Company) | 12 50 000 | 100.00 | 12 50 000 | 100.00 |

b) Reconciliation of number of shares outstanding at the beginning and at the end of the year is set out below:

| Particulars | As at 31st March, 2016 Nos. | As at 31st March, 2015 Nos. |
|--------------------------------------|-----------------------------------|-----------------------------------|
| Equity shares at the beginning | 12 50 000 | 12 50 000 |
| Add: Shares issued during the year | - | - |
| Equity shares at the end of the year | <u>12 50 000</u> | <u>12 50 000</u> |

c) Refer Note 3 in respect of option on unissued share capital

2 Reserves and Surplus

| | As at 31st March, 2016 ₹ | As at 31st March, 2015 ₹ |
|---|--------------------------------|--------------------------------|
| Capital Reserve | | |
| As per last Balance Sheet | 372 84 87 440 | 372 84 87 440 |
| Deficit in Profit and Loss Account | | |
| As per last Balance Sheet | (1 10 14 740) | (1 09 40 831) |
| Less: Loss for the year | <u>(24 610)</u> | <u>(73 909)</u> |
| | <u>(1 10 39 350)</u> | <u>(1 10 14 740)</u> |
| | <u>371 74 48 090</u> | <u>371 74 72 700</u> |

Note:

In view of the loss for the year, the company has not created the Debenture Redemption Reserve for ₹ 1 48 90 354 (Previous Year ₹ Nil) in terms of section 71(4) of the Companies Act, 2013 and Rule 18(7) of the Companies (Share Capital and Debenture) Rules, 2014. The Company shall create the Debenture Redemption Reserve out of profits, if any, in the future years.

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

| 3 Non-Current Liabilities | As at | As at |
|---|-------------------------|-------------------------|
| Long Term Borrowings | 31st March, 2016 | 31st March, 2015 |
| | ₹ | ₹ |
| Zero Coupon Unsecured Optionally Convertible Debentures | <u>3263 37 00 000</u> | - |
| | <u>3263 37 00 000</u> | - |
| Note: | | |
| The Zero Coupon Unsecured Optionally Convertible Debentures from Reliance Industries Limited (the holding Company) is redeemable at the end of fifteen years from the date of allotment i.e. 22-03-2016. The Company and the debenture holder will have an option for early conversion at any time after allotment but before expiry of fifteen years by giving one month notice to the other party on higher of book value [₹ 2983.98 per share] or face value [₹ 10/- per share] as at March 31, 2015). | | |
| 4 Other Current Liabilities | As at | As at |
| | 31st March, 2016 | 31st March, 2015 |
| | ₹ | ₹ |
| Payable against purchase of shares @ | - | 3263 37 04 310 |
| Debenture Application money from Fellow Subsidiary Company | <u>3319 50 00 000</u> | - |
| Others - for expenses | <u>17 175</u> | 14 607 |
| | <u>3319 50 17 175</u> | <u>3263 37 18 917</u> |
| @ During the year, the liability from the holding company has been converted into "Zero Coupon Unsecured Optionally Convertible Debentures". | | |
| The Company does not have any creditors governed by the Micro, Small and Medium Enterprises Development Act, 2006. | | |
| 5 Non-Current Investments | As at | As at |
| | 31st March, 2016 | 31st March, 2015 |
| | ₹ | ₹ |
| Long Term Investments (Valued at Cost, less other than temporary diminution in value, if any) | | |
| Other Investments | | |
| Unquoted, fully paid up In Equity Shares of Subsidiary Company | | |
| 5,00,000 Reliance Holding USA, Inc of USD 0.10 each (5,00,000) | <u>3636 25 93 370</u> | 3636 25 93 370 |
| | <u>3636 25 93 370</u> | <u>3636 25 93 370</u> |
| Aggregate amount of unquoted investments | <u>3636 25 93 370</u> | 3636 25 93 370 |
| 6 Cash and Bank Balances | As at | As at |
| | 31st March, 2016 | 31st March, 2015 |
| | ₹ | ₹ |
| Cash and cash equivalents | | |
| Balance with Banks in current account | <u>5 39 187</u> | 10 98 247 |
| | <u>5 39 187</u> | <u>10 98 247</u> |
| 7 Other Current Assets | As at | As at |
| | 31st March, 2016 | 31st March, 2015 |
| | ₹ | ₹ |
| Share Application money paid to a Subsidiary Company | <u>3319 55 32 708</u> | - |
| | <u>3319 55 32 708</u> | - |

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

| | | |
|---|-------------------------|-------------------------|
| 8 Revenue from Operations | 2015-16 | 2014-15 |
| | ₹ | ₹ |
| Sale of Fabrics | <u>2 08 243</u> | <u>2 33 541</u> |
| | 2 08 243 | 2 33 541 |
| 9 Miscellaneous Income | 2015-16 | 2014-15 |
| | ₹ | ₹ |
| Write Back of Liability | <u>4 310</u> | <u>-</u> |
| | 4 310 | - |
| 10 Other Expenses | 2015-16 | 2014-15 |
| | ₹ | ₹ |
| Audit fees | 17 175 | 14 607 |
| Professional fees | 5 725 | 49 620 |
| Filing fees | 3 000 | 5 400 |
| Profession tax | 2 500 | 2 500 |
| General expenses | <u>1 193</u> | <u>2 417</u> |
| | 29 593 | 74 544 |
| 11 Earning per share | 2015-16 | 2014-15 |
| a) Net Profit after Tax as per Profit and Loss Statement attributable to Equity Shareholders (₹) | (24 610) | (73 909) |
| Weighted Average number of Equity Shares used as denominator for calculating Basic EPS | 12 50 000 | 12 50 000 |
| Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS | 15 48 806 | 12 50 000 |
| Basic Earnings per share (₹) | (0.02) | (0.06) |
| Diluted Earnings per share (₹) | (0.02) | (0.06) |
| Face Value per Equity Share (₹) | 10 | 10 |
| b) Diluted earnings per share is same as basic earnings per share, since potential equity shares are antidilutive. | | |
| 12 The Previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year presentation. | | |
| 13 a) Deferred tax assets (net) as at Balance Sheet date consists of the following items. As a matter of prudence, the Company has not recognised deferred tax assets in the books of accounts | | |
| | As at | As at |
| | 31st March, 2016 | 31st March, 2015 |
| | ₹ | ₹ |
| Deferred Tax Liabilities | Nil | Nil |
| Deferred Tax Assets | | |
| Carried forward Losses | - | 4 799 |
| Deferred Tax Asset (Net) | <u>-</u> | <u>4 799</u> |

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

| ii) Secondary Segment Information | 2015-16 ₹ | 2014-15 ₹ |
|---|-----------------------|-----------------------|
| a) Segment Revenue - External Turnover | | |
| Within India | 2 08 243 | 2 33 541 |
| Outside India | - | - |
| Total revenue | <u>2 08 243</u> | <u>2 33 541</u> |
| b) Segment Assets | | |
| Within India | 5 39 187 | 10 98 247 |
| Outside India | 6955 81 26 078 | 3636 25 93 370 |
| Total Assets | <u>6955 86 65 265</u> | <u>3636 36 91 617</u> |
| c) Segment Liabilities | | |
| Within India | 6582 87 17 175 | 3263 37 18 917 |
| Outside India | - | - |
| Total Liability | <u>6582 87 17 175</u> | <u>3263 37 18 917</u> |
| d) Capital Expenditure | | |
| Within India | - | - |
| Outside India | - | - |
| Total Expenditure | <u>-</u> | <u>-</u> |

15 Related Party Disclosures

As per Accounting Standard - 18, notified in the Companies (Accounting Standards) Rules, 2006, the disclosures of transactions with the related parties are given below:

i) List of related parties and relationships:

| Sr. No. | Name of the Related Party | Relationship |
|---------|---|---------------------------|
| 1 | Reliance Industries Limited | Holding company |
| 2 | Reliance Holding USA Inc | Subsidiary Companies |
| 3 | Reliance Marcellus II LLC | |
| 4 | Reliance Marcellus LLC | |
| 5 | Reliance Eagleford Upstream LLC | |
| 6 | Reliance Eagleford Upstream GP LLC | |
| 7 | Reliance Eagleford Midstream LLC | |
| 8 | Reliance Eagleford Upstream Holding LP | |
| 9 | Reliance USA Gas Marketing LLC | |
| 10 | Affinity Names Inc. | |
| 11 | GenNext Holding Investments LLC (name changed from Reliance Marcellus Holding LLC w.e.f. 17.03.2016) | |
| 12 | Aurora Algae Inc (w.e.f. 21.04.2015) | |
| 13 | Aurora Algae Pty Ltd (w.e.f. 21.04.2015) | |
| 14 | Reliance Holding Acquisition Corp (w.e.f. 29.01.2016) | |
| 15 | Reliance USA Inc. (w.e.f. 31.03.2016) | |
| 16 | Aurora Algae RGV LLC (w.e.f. 21.04.2015) | |
| 17 | Reliance Industrial Investments and Holdings Limited | Fellow Subsidiary Company |

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

ii) Transactions during the year with related parties:

| Sr. No. | Nature of Transaction (Excluding reimbursement) | Holding Company | Subsidiary Companies | Fellow Subsidiary Companies | Total |
|---------------------------------------|---|----------------------------|----------------------------------|-----------------------------|----------------------------------|
| | | ₹ | ₹ | ₹ | ₹ |
| 1 | Liability converted into Zero Coupon Optionally Convertible Debentures (Refer Note No. 4) | 3263 37 00 000 | - | - | 3263 37 00 000 |
| 2 | Share Application money paid | - | 3319 55 32 708 | - | 3319 55 32 708 |
| 3 | Debenture Application money received | - | - | 3319 50 00 000 | 3319 50 00 000 |
| 4 | Purchases | 2 07 570 2 32 906 | - | - | 2 07 570 2 32 906 |
| Balance as at 31st March, 2016 | | | | | |
| 5 | Equity Share Capital | 1 25 00 000 1 25 00 000 | - | - | 1 25 00 000 1 25 00 000 |
| 6 | Long Term Borrowings | 3263 37 00 000 | - | - | 3263 37 00 000 |
| 7 | Other Current Liabilities | - 3263 37 04 310 | - | 3319 50 00 000 | 3319 50 00 000 3263 37 04 310 |
| 8 | Non-Current Investments | - | 3636 25 93 370 3636 25 93 370 | - | 3636 25 93 370 3636 25 93 370 |

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

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

| Particulars | Relationship | 2015-16 | 2014-15 |
|--|-------------------|----------------|----------|
| 1 Liability converted into Zero Coupon Optionally Convertible Debentures (Refer Note No. 4) | | | |
| Reliance Industries Limited | Holding Company | 3263 37 00 000 | - |
| 2 Share Application money paid | | | |
| Reliance Holding USA Inc | Subsidiary | 3319 55 32 708 | - |
| 3 Debenture Application money received | | | |
| Reliance Industrial Investments and Holdings Limited | Fellow Subsidiary | 3319 50 00 000 | - |
| 4 Purchases | | | |
| Reliance Industries Limited | Holding Company | 2 07 570 | 2 32 906 |

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

As per our Report of even date

For Pathak H. D. & Associates

Chartered Accountants

Registration No.: 107783W

Saurabh Pamecha

Partner

Membership No.:126551

Mumbai

Dated: April 19, 2016

For and on behalf of the Board

N Shanker

Director

Ashwin Khasgiwala

Director