

RELIANCE COMTRADE PRIVATE LIMITED

**Reliance Comtrade Private Limited**  
**Financial Statements**  
**2014-15**

# Independent Auditor's Report

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## To the Members of Reliance Comtrade Private Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance Comtrade Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that we are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 standalone 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 31<sup>st</sup> March, 2015, 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 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 March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 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 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 are required to be transferred to the Investor Education and Protection Fund by the Company during the year.

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

Place : Mumbai  
Date : April 13, 2015

**Jignesh Mehta**  
*Partner*  
Membership No. : 102749

**Balance Sheet as at 31st March, 2015**

	Note	As at 31st March, 2015	Amount in ₹ As at 31st March, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	1 48 40 000	1 48 40 000
Reserves and Surplus	2	<u>241 38 06 819</u>	<u>241 39 27 954</u>
		<b>242 86 46 819</b>	242 87 67 954
<b>Non - Current Liabilities</b>			
Long-Term Borrowings	3	20 10 000	19 10 000
<b>Current Liabilities</b>			
Other Current Liabilities	4	<u>34 346</u>	<u>22 510</u>
<b>TOTAL</b>		<b><u>243 06 91 165</u></b>	<b><u>243 07 00 464</u></b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	5	243 01 37 058	243 01 37 058
Capital Work-in-Progress	5	<u>3 40 665</u>	<u>3 40 665</u>
		<b>243 04 77 723</b>	243 04 77 723
<b>Current Assets</b>			
Cash and Bank Balances	6	<u>2 13 442</u>	<u>2 22 741</u>
<b>TOTAL</b>		<b><u>243 06 91 165</u></b>	<b><u>243 07 00 464</u></b>
Significant Accounting Policies Notes on Financial Statements	1 to 14		

As per our Report of even date

For and on behalf of the Board

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

**Jignesh Mehta**  
Partner  
Membership No. 102749

**Rajendra Kamath**  
Director  
(DIN: 01115052)

**Saravanan Viswanathan**  
Director  
(DIN: 05244819)

Place: Mumbai  
Dated : 13th April, 2015

**Gaurav Jain**  
Director  
(DIN: 02697278)

**Statement of Profit and Loss for the year ended 31st March, 2015**

	Note	2014-15	Amount in ₹ 2013-14
<b>INCOME</b>			
Other Income		-	-
<b>Total Revenue</b>		-	-
<b>EXPENDITURE</b>			
Finance Cost 7	7	9 589	-
Other Expenditure	8	1 11 546	1 22 283
<b>Total Expenses</b>		1 21 135	1 22 283
Loss Before Tax		(1 21 135)	(1 22 283)
Tax Expenses		-	-
Loss After Tax		(1 21 135)	(1 22 283)
<b>Earnings per equity share of face value of ₹ 10/- each</b>			
Basic and Diluted (In ₹)	9	(0.12)	(0.12)
Significant Accounting Policies Notes on Financial Statements	1 to 14		

As per our Report of even date

For and on behalf of the Board

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

**Jignesh Mehta**  
Partner  
Membership No. 102749

**Rajendra Kamath**  
Director  
(DIN: 01115052)

**Saravanan Viswanathan**  
Director  
(DIN: 05244819)

Place: Mumbai  
Dated : 13th April, 2015

**Gaurav Jain**  
Director  
(DIN: 02697278)

## Cash Flow Statement for the year 2014-2015

	2014-15	Amount in ₹ 2013-14
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax as per Statement of Profit and Loss	(1 21 135)	(1 22 283)
Adjusted for :		
Finance Cost	9 589	-
	<u>9 589</u>	<u>-</u>
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>(1 11 546)</b>	<b>(1 22 283)</b>
Adjusted for :		
Other Current Liabilities	2 247	1 124
	<u>2 247</u>	<u>1 124</u>
<b>Cash Generated from / (used in) Operations</b>	<b>(1 09 299)</b>	<b>(1 21 159)</b>
Tax Paid (net)	-	-
Net Cash from / (used in) Operating Activities	<u>(1 09 299)</u>	<u>(1 21 159)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of Fixed Assets	-	-
Net Cash from / (used in) Investing Activities	<u>-</u>	<u>-</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	1 00 000	-
Repayment of Long Term Borrowings	-	(4 00 000)
Net Cash Generated from / (used in) Financing Activities	<u>1 00 000</u>	<u>(4 00 000)</u>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(9 299)</b>	<b>(5 21 159)</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>2 22 741</b>	<b>7 43 900</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b><u>2 13 442</u></b>	<b><u>2 22 741</u></b>
<b>(Refer Note No.6)</b>		

As per our Report of even date

For and on behalf of the Board

For **Chaturvedi & Shah**

Chartered Accountants

Firm Registration No. 101720W

**Jignesh Mehta**

Partner

Membership No. 102749

**Rajendra Kamath**

Director

(DIN: 01115052)

**Saravanan Viswanathan**

Director

(DIN: 05244819)

Place: Mumbai

Dated : 13th April, 2015

**Gaurav Jain**

Director

(DIN: 02697278)

## 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.

### B. Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles ('GAAP') requires judgment, estimates and assumptions to be made that affect the reported amount of assets and liabilities and the 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

Fixed Assets are stated at cost, less accumulated depreciation and impairment loss, if any.

Capital Work-in-progress is stated at the amount incurred upto the date of Balance Sheet.

### D. Revenue recognition

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operation includes licence fees, rental income and service charges are recognised based on contractual rights adjusted for service tax. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicables.

### E. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit and Loss.

### F. Current Tax and Deferred Tax

Provision for Current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred Tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable or virtual certainty that the assets will be realized in future.

### G. Provision, Contingent Liabilities and Contingent assets

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

1. Share Capital		As at 31st March, 2015	Amount in ₹ As at 31st March, 2014
<b>Authorised Share Capital</b>			
10 00 000 (10 00 000)	Class A Equity Shares of ₹10 each	<b>1 00 00 000</b>	1 00 00 000
5 00 000 (5 00 000)	Class B Equity Shares of ₹10 each	<b>50 00 000</b>	50 00 000
5 00 000 (5 00 000)	Non Cumulative Optionally Convertible Redeemable Preference shares of ₹10 each	<b>50 00 000</b>	50 00 000
		<b>2 00 00 000</b>	2 00 00 000
<b>Issued, Subscribed and Paid up:</b>			
10 00 000 (10 00 000)	Class A Equity Shares of ₹10 each fully paid up	<b>1 00 00 000</b>	1 00 00 000
4 84 000 (4 84 000)	10% Non Cumulative Optionally Convertible Redeemable Preference shares of ₹10 each	<b>48 40 000</b>	48 40 000
	<b>TOTAL</b>	<b>1 48 40 000</b>	1 48 40 000

## Notes on Financial Statements for the year ended 31st March, 2015

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

Name of Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	% held	No. of Shares	% held
<u>Equity Shares</u>				
Reliance Commercial Land & Infrastructure Limited and its nominees	10 00 000	100	10 00 000	100
<u>Preference Shares</u>				
Reliance Industries Limited	4 84 000	100	4 84 000	100

### 1.2 The reconciliation of the number of shares outstanding is set out below:

Name of Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	Equity No. of shares	Preference No. of Shares	Equity No. of Shares	Preference No. of Shares
Shares at the beginning of the year	10 00 000	4 84 000	10 00 000	4 84 000
Add: Shares issued during the year				
Shares at the end of the year	<u>10 00 000</u>	<u>4 84 000</u>	<u>10 00 000</u>	<u>4 84 000</u>

### 1.3 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.

The Preference Shares shall carry a preferential right over the Equity shares of the Company as regards to payment of dividend and repayment of capital, in the event of winding-up of the Company. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

### 1.4 Of the above Class A equity shares, 10 00 000 (Previous year 10 00 000) shares are held by Reliance Commercial Land & Infrastructure Limited the Holding Company.

All the above 4 84 000 fully paid Preference Shares (Previous year 4 84 000) are held by Reliance Industries Limited, the ultimate Holding Company.

### 1.5 The Preference Shares shall, unless converted, be redeemable at a price to be decided by the Board of Directors, but not lower than the issue price, at the end of 20 years from the date of allotment i.e. 13th March, 2009. Each Preference Share may, at the option of the holder, be converted into 500 (five hundred) Class B Equity Shares at any time from the date of its allotment upto the date of redemption. The Original Allottee i.e. Reliance Industries Limited has the right to hold all the immovable properties for the time being of the Company.

2. Reserves and Surplus	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
<b>Securities Premium Account</b>		
As per last Balance Sheet	241 51 60 000	241 51 60 000
<b>Surplus</b>		
<b>Profit and Loss Account</b>		
As per last Balance Sheet	(12 32 046)	(11 09 763)
Add: Transfer from Statement of Profit and Loss	<u>(1 21 135)</u>	<u>(1 22 283)</u>
	<u>(13 53 181)</u>	<u>(12 32 046)</u>
<b>TOTAL</b>	<u><u>241 38 06 819</u></u>	<u><u>241 39 27 954</u></u>



## Notes on Financial Statements for the year ended 31st March, 2015

3. Long Term Borrowings	As at 31st March, 2015	Amount in ₹ As at 31st March, 2014
Unsecured		
Loans and Advances from Holding Company #	20 10 000	19 10 000
<b>TOTAL</b>	<b>20 10 000</b>	<b>19 10 000</b>

# Represents Loan from Reliance Commercial Land & Infrastructure Limited the Holding Company for the period of 5 years.

4. Other Current Liabilities	As at 31st March, 2015	Amount in ₹ As at 31st March, 2014
Creditors for Capital Expenditure	7 903	7 903
Interest accrued but not due	9 588	-
Other Payables	16 855	14 607
<b>TOTAL</b>	<b>34 346</b>	<b>22 510</b>

### 5. Tangible Assets

Description	Gross Block			Depreciation			Net Block	
	As at 01-04-2014	Additions	As at 31-03-2015	As at 01-04-2014	For the Year	Upto 31-03-2015	As at 31-03-2015	As at 31-03-2014
<b>OWN ASSETS</b>								
Freehold Land	243 01 37 058	-	243 01 37 058	-	-	-	243 01 37 058	243 01 37 058
<b>Total</b>	<b>243 01 37 058</b>	<b>-</b>	<b>243 01 37 058</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>243 01 37 058</b>	<b>243 01 37 058</b>
<i>Previous Year</i>	<i>243 01 37 058</i>	<i>-</i>	<i>243 01 37 058</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>243 01 37 058</i>	
<i>Capital Work-in-Progress</i>						-	3 40 665	3 40 665

6. Cash and Bank Balances	As at 31st March, 2015	Amount in ₹ As at 31st March, 2014
<b>Cash and cash equivalents:</b>		
<b>Bank Balances:</b>		
In current accounts	2 13 442	2 22 741
<b>TOTAL</b>	<b>2 13 442</b>	<b>2 22 741</b>

7. Finance Cost	2014-15	Amount in ₹ 2013-14
Interest Expenses	9 589	-
<b>TOTAL</b>	<b>9 589</b>	<b>-</b>

## Notes on Financial Statements for the year ended 31st March, 2015

	Amount in ₹	
	2014-15	2013-14
<b>8. Other Expenditure</b>		
Professional Fees	15 500	15 300
Rates and Taxes	66 974	81 080
Filing Fees	6 600	2 500
General Expenses	-	3 178
Auditors' Remuneration		
Audit Fees	16 854	14 607
Certification Fees	5 618	5 618
	22 472	20 225
<b>TOTAL</b>	1 11 546	1 22 283

	2014-15	2013-14
<b>9. Earnings per share</b>		
Basic and Diluted earnings per equity share (₹)	(0.12)	(0.12)
Numerator - Profit after tax (₹)	(1 21 135)	(1 22 283)
Denominator - Weighted average number of equity shares for Basic EPS	10 00 000	10 00 000
Denominator - Weighted average number of equity shares for Diluted EPS	2430 00 000	2430 00 000
Nominal value per equity share (₹)	10	10

Diluted EPS is same as Basic EPS being antidilutive.

10. The Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

### 11. Segment Reporting

The Company is primarily engaged in the business of real estate and development of commercial properties in India. All the activities of the Company revolve around this main business. Accordingly, the Company has only one identifiable segment reportable under Accounting Standard 17 "Segment Reporting", notified in the Companies (Accounting Standards) Rules, 2006.

### 12. Related Party

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

#### i) List of related parties with whom transactions have taken place and relationship:

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 Commercial Land & Infrastructure Limited	Parent Holding Company
4.	Reliance Ventures Limited	Fellow Subsidiary Company

## Notes on Financial Statements for the year ended 31st March, 2015

ii) Transactions during the year with related parties (excluding reimbursements):					Amount in ₹
Sr. No.	Nature of Transaction	Ultimate Holding Company	Parent Holding Company	Fellow Subsidiary Companies	Total
1.	Loans Taken/(Repaid)	-	1 00 000	-	1 00 000
		-	(4 00 000)	-	(4 00 000)
2.	Interest Expenses	-	9 589	-	9 589
		-	-	-	-
<b>Balances as at 31st March, 2015</b>					
1.	<b>Equity Share Capital</b>	-	10 00 000	-	10 00 000
		-	10 00 000	-	10 00 000
2.	<b>Preference Share Capital</b>	242 00 00 000	-	-	242 00 00 000
	(including premium)	242 00 00 000	-	-	242 00 00 000
3.	<b>Loans Taken</b>	-	20 10 000	-	20 10 000
		-	19 10 000	-	19 10 000
4.	<b>Interest Payables</b>	-	9 588	-	9 588
		-	-	-	-

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

Disclosure in Respect of Material Related Party Transactions during the year:				Amount in ₹
Particulars	Relationship	2014-15	2013-14	
<b>1. Loans Taken / (Repaid)</b>				
Reliance Commercial Land & Infrastructure Ltd	Parent Holding	1 00 000	-	
Reliance Commercial Land & Infrastructure Ltd	Parent Holding	-	(4 00 000)	
<b>2. Interest Expenses</b>				
Reliance Commercial Land & Infrastructure Ltd	Parent Holding	9 589	-	

13. The Company has not recognised deferred tax assets or liabilities in accordance with note F of Significant Accounting Policies.
14. The Company has not received the required information from Suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, disclosure relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act could not be made.

As per our Report of even date

For and on behalf of the Board

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

**Jignesh Mehta**  
Partner  
Membership No. 102749

**Rajendra Kamath**  
Director  
(DIN: 01115052)

**Saravanan Viswanathan**  
Director  
(DIN: 05244819)

Place: Mumbai  
Dated : 13th April, 2015

**Gaurav Jain**  
Director  
(DIN: 02697278)