

RELIANCE GLOBAL BUSINESS BV

Reliance Global Business BV

Independent Auditors' Report

To the Management of
Reliance Global Business BV

Report on the Financial Statements

We have audited the accompanying financial statements of Reliance Global Business BV ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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 Management is responsible for 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. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 misstatements.

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 judgment, 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 and fair presentation of the financial statements 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 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 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, 2015, and its profit and its cash flows for the year ended on that date.

Other Matters

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 purpose of our audit;
- b. In our opinion, proper books of account have been kept by the Company so far as appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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

SandeshLadha
Partner
Membership No.: 047841

Place: Mumbai
Date: 15 April, 2015

Balance Sheet as at 31st March, 2015

	Notes	As at 31st March, 2015	(In Euro) As at 31st March, 2014
EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	2	5,94,10,000	8,05,03,612
Reserves & Surplus	3	51,96,733	17,69,973
		6,46,06,733	8,22,73,585
Current Liabilities			
Trade Payables		23,024	46,366
Total		6,46,29,757	8,23,19,951
ASSETS			
Non Current Assets			
Non Current Investments	4	6,45,46,834	8,22,60,203
Current Assets			
Balance with Bank		81,459	59,748
Prepaid Expenses		1,464	-
		82,923	59,748
Total		6,46,29,757	8,23,19,951
Notes on Financial Statements	1 to 9		

As per our Report of even date

For Chaturvedi & Shah
Chartered Accountants

Sandesh Ladha
Partner
Membership No.:047841

Place: Mumbai
Date: 15 April, 2015

For and on behalf of the Board

Jairaj Sampat
Director

Place: Amsterdam
Date: 14 April, 2015

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

Particulars	2014-15	(In Euro) 2013-14
INCOME		
Other Income		
Dividend from Subsidiary	68,25,480	1,00,000
Miscellaneous Liabilities Written Back	12,145	-
Other Income	1,129	1,857
Total Revenue	68,38,754	1,01,857
EXPENDITURE		
Legal & Professional fees	46,562	34,245
Audit Fees	3,337	3,034
Bank charges	658	442
Investment in Subsidiary Written Off	-	10,136
Loss on Redemption of Long Term Investment	-	7,62,866
Exchange Loss on Redemption of Investment	34,38,666	-
Exchange (Gain)/Loss (net)	(77,289)	12,529
Other Expenses	61	3,690
Total Expenses	34,11,995	8,26,942
Profit /(Loss) Before Tax	34,26,760	(7,25,085)
Tax Expense of Earlier Years	-	500
Profit /(Loss) for the Year	34,26,760	(7,25,585)
Notes on Financial Statements	1 to 9	

As per our Report of even date

For Chaturvedi & Shah
Chartered Accountants

Sandesh Ladha
Partner
Membership No.:047841

Place: Mumbai
Date: 15 April, 2015

For and on behalf of the Board

Jairaj Sampat
Director

Place: Amsterdam
Date: 14 April, 2015

Cash Flow Statement for the year ended on 31st March, 2015

	2014-15	(In Euro) 2013-14
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit / (Loss) before tax as per Statement of Profit and Loss	34,26,760	(7,25,085)
Adjusted for:		
Dividend from Subsidiary	(68,25,480)	(1,00,000)
Exchange Loss on Redemption of Investment	34,38,666	-
Loss / Profit on Redemption of Long Term Investment	-	7,62,866
Investment in Subsidiary Written Off	-	10,136
	<u>(33,86,814)</u>	<u>6,73,002</u>
Operating Profit/(Loss) before Working Capital Changes	39,946	(52,083)
Increase/(Decrease) in Trade Payables & Other Current Liabilities	(23,341)	12,690
Increase/(Decrease) in Prepaid Expenses	(1,464)	15,462
	<u>(24,805)</u>	<u>28,152</u>
Cash Generated from Operations before Tax	15,141	(23,931)
Tax Expense	-	500
Net Cash (used in)/from Operating Activities	<u>15,141</u>	<u>(24,431)</u>
B: CASH FLOW FROM INVESTING ACTIVITIES:		
Repayment of Contribution by Subsidiary	-	9,864
Redemption of Shares of Subsidiary	1,42,74,703	49,52,770
Investment in Subsidiary	-	(2,62,13,301)
Dividend from Subsidiary	68,25,480	1,00,000
Net Cash (used in)/from Investing Activities	<u>2,11,00,183</u>	<u>(2,11,50,667)</u>
C: CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Share Capital	-	2,62,13,301
Cancellation of Class A shares	(21,093,612)	(50,00,000)
Net Cash (used in)/from Financing Activities	<u>(21,093,612)</u>	<u>2,12,13,301</u>
Net Increase / (Decrease) in Cash and Cash Equivalents	21,712	38,203
Opening Balance of Cash and Cash Equivalents	59,748	21,545
Closing Balance of Cash and Cash Equivalents	81,459	59,748

As per our Report of even date

For Chaturvedi & Shah
Chartered Accountants

Sandesh Ladha
Partner
Membership No.:047841

Place: Mumbai
Date: 15 April, 2015

For and on behalf of the Board

Jairaj Sampat
Director

Place: Amsterdam
Date: 14 April, 2015

Notes on Financial Statements for the Year Ended 31st March, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India.

B. Use of Estimates

The preparation of financial statements requires 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 recognized in the period in which the results are known/ materialized.

C. Foreign Currency Transactions

- a. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- b. Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- c. Assets and liabilities, other than investments and equity, denominated in foreign currencies are translated into the reporting currency at the rates of exchange prevailing at the balance sheet date.
- d. Non monetary foreign currency items are carried at cost.
- e. Any income or expense on account of exchange difference on settlement or on translation is recognized in the Profit and Loss account.

D. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

E. 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 in the opinion of the management.

F. Provision for Current Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of taxation laws of Netherlands.

G. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized 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 recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Notes on Financial Statements for the Year Ended 31st March, 2015

		(In Euro)	
		As at	As at
2.	SHARE CAPITAL	31st March, 2015	31st March, 2014
	Authorised Share Capital		
	5,00,00,00,000 Ordinary Shares of Euro 0.01 each (5,00,00,00,000)	5,00,00,000	5,00,00,000
	10,00,00,00,000 Class A Shares of Euro 0.01 each (10,00,00,00,000)	10,00,00,000	10,00,00,000
	TOTAL	15,00,00,000	15,00,00,000
	Issued, Subscribed and Paid Up Capital		
	20,00,000 Ordinary Shares of Euro 0.01 each (20,00,000)	20,000	20,000
	5,93,90,00,000 Class A Shares of Euro 0.01 each (8,04,83,61,211)	5,93,90,000	8,04,83,612
	TOTAL	5,94,10,000	8,05,03,612

2.1 The details of Shareholders holding more than 5% shares and details of shares held by Holding Company or Ultimate Holding Company

Name of the Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares	% of held	No. of shares	% Of held
Ordinary Shares of Euro 0.01 each				
Reliance Industrial Investments and Holdings Limited - Holding Company	18,00,000	90%	18,00,000	90%
Reliance Industries Limited -Ultimate Holding Company	2,00,000	10%	2,00,000	10%
Class A Shares of Euro 0.01 each				
Reliance Industries Limited -Ultimate Holding Company	5,93,90,00,000	100%	8,04,83,61,211	100%

2.2. The reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31st March, 2015	As at 31st March, 2014
Ordinary Shares at the beginning of the year	20,00,000	20,00,000
Add : Shares issued	-	-
Less: Shares Cancelled	-	-
Ordinary Shares at the end of the year	20,00,000	20,00,000
Class A Shares at the beginning of the year	8,04,83,61,211	5,92,70,31,111
Add : Shares issued	-	2,62,13,30,100
Less: Shares Cancelled	2,10,93,61,211	50,00,00,000
Class A Shares at the end of the year	5,93,90,00,000	8,04,83,61,211

Notes on Financial Statements for the Year Ended 31st March, 2015

3. RESERVES & SURPLUS		(In Euro)	
		As at	As at
		31st March, 2015	31st March, 2014
Profit & Loss Statement			
As per Last Balance Sheet		17,69,973	24,95,558
Profit/ (Loss) for the Year		<u>34,26,760</u>	<u>(7,25,585)</u>
		<u>51,96,733</u>	<u>17,69,973</u>
4. NON CURRENT INVESTMENT		(In Euro)	
<i>(Long Term Investments)</i>		As at	As at
		31st March, 2014	31st March, 2013
Investment in Subsidiaries-Unquoted-Fully Paid Up			
113187500	Ordinary Shares of Recron (Malaysia)	4,56,72,070	456,72,070
(113187500)	SDN BHD of RM 1.00 each		
82108	Ordinary Shares of Wave Land	8,54,982	8,54,982
(82108)	Developers Limited of KSH 1000 each		
0	Preference Shares of Wave Land	-	1,77,13,369
(170100)	Developers Limited of KSH 1000 each Full Paid up		
300	Ordinary Shares of RIL USA Inc of USD	1,80,19,782	1,80,19,782
(300)	10000 each Full Paid up		
10	Ordinary Shares of Reliance do Brasil Indústria	-	-
(10)	e Comércio de Produtos Têxteis, Químicos, Petroquímicos e Derivados Ltda. of R\$ 1 each		
Total		<u>6,45,46,834</u>	<u>8,22,60,203</u>
5. The Company has prepared the accounts in accordance with the Generally Accepted Accounting Principles in India. The previous year figures have been reclassified and regrouped wherever necessary.			
6. The Accounts have been prepared for the limited purpose of their consolidation with its Ultimate Holding Company, namely, Reliance Industries Limited in terms of Accounting Standard - 21 on Consolidated Financial Statements.			
7. The activities of the Company mainly comprise of Investment, all the other activities revolve around its main business. As such there are no separate reportable segments and hence information as required by Accounting Standard - 17 on Segment Reporting is not given.			
8. The Company has uncalled liability of € 3.2 towards investment in 10 shares of Reliance do Brasil Indústria e Comércio de Produtos Têxteis, Químicos, Petroquímicos e Derivados Ltda.			
9. As per Accounting Standard - 18 on Related Party Transactions, the disclosure of transactions with the related parties as defined in the Accounting Standard are given below:			

Notes on Financial Statements for the Year Ended 31st March, 2015

(i) **List of related parties 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.	Recron (Malaysia) Sdn Bhd	Subsidiary Companies
4.	Wave Land Developers Limited	
5.	RIL USA Inc	
6.	Reliance International BV (Up to 18.03.2014)	
7.	Delta Corp East Africa Ltd	
8.	Reliance do Brasil Indústria e Comércio de Produtos Têxteis, Químicos, Petroquímicos e Derivados Ltda. (From 26.03.2013)	Key Managerial Personnel
9.	Kaizen Capital LLP (Up to 12.08.2014)	
10.	Shri Jairaj Sampat	

(ii) **Transactions with related parties:**

Sr No	Name of the Related Party	2014-15	2013-14
(In Euro)			
a.	RIL USA Inc		
	Opening Balance		
	Investments	1,80,19,782	1,80,19,782
	Transaction during the year		
	Investment	-	-
	Closing Balance		
	Investments	1,80,19,782	1,80,19,782
b.	Reliance Industries Limited		
	Opening Balance		
	Share Capital	(8,04,85,612)	(5,92,72,311)
	Transaction during the year		
	Issue of Class A Shares		(2,62,13,301)
	Cancellation of shares	2,10,93,612	50,00,000
	Closing Balance		
	Share Capital	(5,93,92,000)	(8,04,85,612)

Notes on Financial Statements for the Year Ended 31st March, 2015

Sr No	Name of the Related Party	2014-15	(In Euro) 2013-14
c.	Wave Land Developers Limited		
	Opening Balance		
	Investments		
	Preference Shares	1,77,13,369	2,34,29,005
	Ordinary Shares	8,54,982	8,54,982
	Transaction during the year		
	Redemption of Preference Shares	1,77,13,369	57,15,636
	Liquidation Dividend Received	68,25,480	-
	Closing Balance		
	Investments		
	Preference Shares	-	1,77,13,369
	Ordinary Shares	8,54,982	8,54,982
d.	Recron (Malaysia) Sdn Bhd.		
	Opening Balance		
	Investments	4,56,72,070	1,94,58,768
	Transaction during the year		
	Investment made	-	2,62,13,302
	Closing Balance		
	Investments	4,56,72,070	4,56,72,070
e.	Reliance Industrial Investments and Holdings Limited		
	Opening Balance		
	Share Capital	(18,000)	(18,000)
	Closing Balance		
	Share Capital	(18,000)	(18,000)
f.	Reliance Netherlands BV		
	Opening Balance		
	Investments	-	20,000
	Transactions during the year		
	Repayment of contribution	-	9,864
	Write off of Investment	-	10,136
	Dividend Received	-	1,00,000
	Closing Balance		
	Investments	-	-
g.	Payments to Key Managerial Personnel	21,780	21,780

As per our Report of even date

For and on behalf of the Board

For Chaturvedi & Shah

Chartered Accountants

Sandesh Ladha

Partner

Membership No.:047841

Jairaj Sampat

Director

Place: Mumbai

Date: 15 April, 2015

Place: Amsterdam

Date: 14 April, 2015