

RELIANCE GLOBAL COMMERCIAL LIMITED

Reliance Global Commercial Limited

Independent Auditor's Report

To the Members of Reliance Global Commercial Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance Global Commercial 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 31st 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 Pathak H.D & Associates
Chartered Accountants
Registration No : 107783W

Place : Mumbai
Date : April 10, 2015

Saurabh Pamecha
Partner
Membership No. : 126551

Balance Sheet as at 31st March, 2015

	Note	As at		As at	
		31st March, 2015		31st March, 2014	
		₹	₹	₹	₹
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	5 00 000		5 00 000	
Reserves and Surplus	2	39 049		51 231	
		<u>5 39 049</u>		<u>5 51 231</u>	
Non-Current Liabilities					
Long Term borrowings	3	4 43 00 000		4 43 00 000	
Current Liabilities					
Other Current Liabilities	4	13 483		11 236	
TOTAL		<u><u>4 48 52 532</u></u>		<u><u>4 48 62 467</u></u>	
ASSETS					
Non-Current Assets					
Non-Current Investments	5	4 47 38 693		4 47 38 693	
Current Assets					
Cash and Bank Balances	6	1 13 839		1 23 774	
TOTAL		<u><u>4 48 52 532</u></u>		<u><u>4 48 62 467</u></u>	
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 10, 2015

For and on behalf of the Board

S Sudhakar
Chairman
DIN : 00001330

Vishal Kumar
Director
DIN : 05295190

S Rajagopal
Director
DIN : 03443308

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

	Note	2014-15 ₹	2013-14 ₹
INCOME			
Other Income	7	10 000	10 000
EXPENDITURE			
Other Expenses	8	22 182	19 736
Loss before tax		(12 182)	(9 736)
Current tax		-	-
Taxes for earlier years		-	(61)
Loss for the year		(12 182)	(9 675)
Earnings per equity shares of face value of ₹ 10 each			
Basic and Diluted (in ₹)	9	(0.24)	(0.19)
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 10, 2015

For and on behalf of the Board

S Sudhakar

Chairman

DIN : 00001330

Vishal Kumar

Director

DIN : 05295190

S Rajagopal

Director

DIN : 03443308

Cash Flow Statement for the year 2014-15

	2014-15 ₹	2013-14 ₹
A. Cash Flow from Operating Activities		
Net Loss before tax as per Statement of Profit and Loss	(12 182)	(9 736)
Adjusted for :	-	-
Operating Loss before Working Capital Changes	(12 182)	(9 736)
Adjusted for :		
Trade and Other Payables	2 247	-
	2 247	-
Cash (used in) Operations	(9 935)	(9 736)
Taxes paid (net)	-	-
Net Cash (used in) Operating Activities	(9 935)	(9 736)
B. Cash Flow from Investing Activities		
Sale of Investments	-	50 128
Net Cash Generated from Investing Activities	-	50 128
C. Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings	1 00 000	-
Repayment of Long Term Borrowings	(1 00 000)	-
Net Cash from Financing Activities	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	(9 935)	40 392
Opening Balance of Cash and Cash Equivalents	1 23 774	83 382
Closing Balance of Cash and Cash Equivalents	1 13 839	1 23 774

As per our Report of even date

For **Pathak H. D. & Associates**

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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.

C. 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. Other income includes sale of services.

D. 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.

E. 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.

F. 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, 2015

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
1. Share Capital		
Authorised :		
4,95,000 Equity Shares of ₹ 10 each (4,95,000)	49 50 000	49 50 000
50,000 Preference shares of ₹ 1 each (50,000)	50 000	50 000
	<u>50 00 000</u>	<u>50 00 000</u>
Issued, Subscribed and Paid up:		
50,000 Equity Shares of ₹ 10 each fully paid up (50,000)	5 00 000	5 00 000
	<u>5 00 000</u>	<u>5 00 000</u>

Note

- a) Details of Shareholders holding more than 5% shares

Name of the Shareholders	As at 31st March, 2015		As at 31st March, 2014	
	Nos. of shares	% held	Nos. of shares	% held
Reliance Strategic Investments Limited (Holding company)	25 500	51	25 500	51
Reliance Universal Commercial Limited (Fellow subsidiary company)	24 500	49	24 500	49

- b) Reconciliation of number of shares outstanding is set out below :

Particulars	As at 31st March, 2015 Nos.	As at 31st March, 2014 Nos.
	Equity shares at the beginning of the year	50 000
Add : Shares issued during the year	-	-
Equity shares at the end of the year	<u>50 000</u>	<u>50 000</u>

- c) No bonus shares issued in the last five years.
d) Refer Note 3 in respect of option on unissued share capital

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
2. Reserves and Surplus		
Capital Redemption Reserve		
As per last Balance Sheet	32 350	32 350
Surplus in Profit and Loss Account		
As per last Balance Sheet	18 881	28 556
Less : Loss for the year	<u>(12 182)</u>	<u>(9 675)</u>
	<u>6 699</u>	<u>18 881</u>
	<u>39 049</u>	<u>51 231</u>

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

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
3. Long Term Borrowings		
Unsecured loan from the holding company		
i) Zero Coupon Optionally Convertible Loan	4 43 00 000	4 42 00 000
ii) Unsecured Loan	-	1 00 000
	<u>4 43 00 000</u>	<u>4 43 00 000</u>

In respect of loan referred above in (i), the lender may have option for conversion into Equity Shares at par at any time after the date of disbursement but upto three months before the repayment date. In the event the option is not exercised by the lender, the said loan is repayable within ten years from the date of first disbursement or other such period as may be mutually agreed.

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
4. Other Current Liabilities		
Others - for expenses	13 483	11 236
	<u>13 483</u>	<u>11 236</u>

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
5. Non-Current Investments		
Long Term Investments (Valued at Cost, less other than temporary diminution in value, if any)		
Other Investments		
Quoted, fully paid up		
In Equity shares of Ultimate Holding Company		
200 Reliance Industries Limited of ₹ 10 each (200)	1 00 923	1 00 923
Unquoted, fully paid up		
In Equity shares - Fellow Subsidiary Company		
44,38,777 Reliance Petroinvestments Limited (44,38,777) of ₹ 10 each	4 43 87 770	4 43 87 770
25,000 Reliance Universal Commercial Limited (25,000) of ₹ 10 each	2 50 000	2 50 000
	<u>4 46 37 770</u>	<u>4 46 37 770</u>
	<u>4 47 38 693</u>	<u>4 47 38 693</u>
Aggregate amount of quoted investments	1 00 923	1 00 923
Market Value of quoted investments	1 65 200	1 86 150
Aggregate amount of unquoted investments	4 46 37 770	4 46 37 770

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

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
6. Cash and Bank Balances		
Cash and cash equivalents		
Balance with Bank in current account	1 13 839	1 23 774
	1 13 839	1 23 774
	1 13 839	1 23 774
7. Other Income	2014-15 ₹	2013-14 ₹
Advisor & consultant fees	10 000	10 000
	10 000	10 000
	10 000	10 000
8. Other Expenses	2014-15 ₹	2013-14 ₹
Audit fees	13 483	11 236
Professional fees	-	3 371
Filing fees	4 500	500
Demat / Custodian charges	899	618
Profession tax	2 500	2 500
General expenses	800	1 511
	22 182	19 736
	22 182	19 736
9. Earnings per share	2014-15	2013-14
Basic and Diluted earnings per equity share (₹)	(0.24)	(0.19)
Numerator - Profit / (loss) after tax (₹)	(12 182)	(9 675)
Denominator - weighted average number of equity shares	50 000	50 000
Nominal value per equity share (₹)	10	10
10. The Previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year presentation.		
11.		
a) The Company has no deferred tax assets or liabilities in accordance with Note. E of significant accounting policies		
b) The Income-Tax assessments of the Company have been completed up to Assessment Year 2012-13. The disputed demand outstanding up to the said Assessment Year is ₹ Nil.		
c) Details of Loans given, Investment made and Guarantee given covered u/s. 186 (4) of the Companies Act, 2013		
i) Investments made by the Company as at 31st March, 2015 (Refer Note No. 5)		
ii) No Loans are given by the Company as at 31st March, 2015.		
iii) No Guarantees are given by the Company as at 31st March, 2015.		
12. Segment Reporting		
The Company has identified two reportable segments viz. Finance & Investments and Advisor & Consultancy. Segments have been identified and reported taking into account nature of activities, the differing risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the company with following additional policies for segment reporting.		
a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".		
b) Segment assets and segment liabilities represent assets and liabilities in respective segments.		

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

i) Primary Segment Information

Sr. No.	Particulars	Finance & Investments		Advisor & consultancy		Unallocable		Total	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
		₹	₹	₹	₹	₹	₹	₹	₹
1.	Segment Revenue								
	Other income	-	-	10 000	10 000	-	-	10 000	10 000
2.	Segment results before Interest and Taxes	(899)	(618)	10 000	10 000	(21 283)	(19 118)	(12 182)	(9 736)
	Less: Interest expense	-	-	-	-	-	-	-	-
	Add : Interest Income	-	-	-	-	-	-	-	-
	Profit before tax	(899)	(618)	10 000	10 000	(21 283)	(19 118)	(12 182)	(9 736)
	Current Tax / Taxes for earlier year	-	-	-	-	-	(61)	-	(61)
	Net profit after tax	(899)	(618)	10 000	10 000	(21 283)	(19 057)	(12 182)	(9 675)
3.	Other Information								
	Segment Assets	4 48 52 532	4 48 62 467	-	-	-	-	4 48 52 532	4 48 62 467
	Segment Liabilities	4 43 13 483	4 43 11 236	-	-	-	-	4 43 13 483	4 43 11 236
	Capital Expenditure	-	-	-	-	-	-	-	-
	Depreciation	-	-	-	-	-	-	-	-

ii) Since all the operations of the Company are conducted within India, as such there is no separate reportable geographical segment.

13. 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 Strategic Investments Limited	Holding Company
3.	Reliance Petroinvestments Limited	Fellow Subsidiary companies
4.	Reliance Universal Commercial Limited	
5.	Reliance Industrial Investments and Holdings Limited	

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

ii) Transactions during the year with related parties:

Sr. No.	Nature of Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiary Companies	Total
		₹	₹	₹	₹
1.	Net Loan and Advances taken / (repaid)	-	-	-	-
		-	-	-	-
2.	Sale of Investments	-	-	-	-
		-	-	50,128	50,128
Balance as at 31st March, 2015					
3.	Equity Share Capital	-	2 55 000	2 45 000	5 00 000
		-	<i>2 55 000</i>	<i>2 45 000</i>	<i>5 00 000</i>
4.	Loans Taken	-	4 43 00 000	-	4 43 00 000
		-	<i>4 43 00 000</i>	-	<i>4 43 00 000</i>
5.	Investments	1 00 923	-	4 46 37 770	4 47 38 693
		<i>1 00 923</i>	-	<i>4 46 37 770</i>	<i>4 47 38 693</i>

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

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

Particulars	Relationship	2014-15	2013-14
1. Net Loan and Advances taken / (repaid)			
Reliance Strategic Investments Limited	Holding	1 00 000	-
Reliance Strategic Investments Limited	Holding	(1 00 000)	-
2. Sale of Investments			
Reliance Industrial Investments and Holdings Limited	Fellow Subsidiary	-	50 128

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 10, 2015

For and on behalf of the Board

S Sudhakar

Chairman

DIN : 00001330

Vishal Kumar

Director

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S Rajagopal

Director

DIN : 03443308