Independent Auditor’s Report

Report on the Financial Statements
We have audited the accompanying Financial statements of Reliance Aromatics and Petrochemicals Limited (“the Company”), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the 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 state of affairs, profit or loss, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of 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 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 of the financial statements 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 the 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 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 the 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity 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 in terms of Section 143(11) of the Act, we give in “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 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 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.

iv. The Company did not hold any Specified Bank Notes as on 8th November, 2016 and Company had not dealt with such notes during the period from 8th November, 2016 to 30th December, 2016 and hence, the requirement of disclosure in financial statements is not applicable to the Company.

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

Ashutosh Jethlia
Partner
Membership No.: 136007

Place : Mumbai
Date : April 17, 2017
Independent Auditor’s Report (Continued)

(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 has no Fixed assets during the year, clause (i) (a) to clause (i) (c) 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 not directly or indirectly advanced loan to the persons covered under Section 185 of the Act or given guarantees or securities in connection with the loan taken by such persons and has complied with the provisions of section 186 of the Act, in respect of investments, loans, guarantee or security given, as applicable.

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, 2017 for a period of more than six months from the date they became payable.
   b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess on account of any dispute, which have not been deposited.

viii) The Company has not raised any loans from financial institutions or banks or government. Further, no amounts were due for repayment to debenture holders. Therefore, 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 Loan 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 our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
Independent Auditor’s Report (Continued)

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 of shares 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)

Ashutosh Jethlia
Partner
Membership No.: 136007
Independent Auditor’s Report (Continued)

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE AROMATICS AND PETROCHEMICALS LIMITED
(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)
Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Reliance Aromatics and Petrochemicals Limited (“the Company”) as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for 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 (the “Guidance Note”) 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 issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 judgement, 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, to the best of our information and according to the explanations given to us, 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, 2017, 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 issued by ICAI.

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

Place : Mumbai
Date : April 17, 2017

Ashutosh Jethlia
Partner
Membership No.: 136007
Balance Sheet as at 31st March, 2017

<table>
<thead>
<tr>
<th>Notes</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>1</td>
<td>2780 06 43 630</td>
<td>2780 06 43 630</td>
</tr>
<tr>
<td><strong>Total Non-Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2780 06 43 630</td>
<td>2780 06 43 630</td>
<td>2780 06 43 630</td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>2</td>
<td>70 079</td>
<td>87 007</td>
</tr>
<tr>
<td><strong>Total Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>70 079</td>
<td>87 007</td>
<td>2 70 195</td>
<td></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2780 07 14 339</td>
<td>2780 07 30 637</td>
<td>2780 09 13 825</td>
<td></td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity Share capital</td>
<td>3</td>
<td>1 00 93 000</td>
<td>1 00 93 000</td>
</tr>
<tr>
<td>Other Equity</td>
<td>4</td>
<td>2779 06 02 939</td>
<td>2779 06 11 874</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2780 06 95 939</td>
<td>2780 07 04 874</td>
<td>2780 09 00 342</td>
<td></td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Current liabilities</td>
<td>5</td>
<td>18 400</td>
<td>25 763</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18 400</td>
<td>25 763</td>
<td>13 483</td>
<td></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18 400</td>
<td>25 763</td>
<td>13 483</td>
<td></td>
</tr>
<tr>
<td><strong>Total Equity and Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2780 07 14 339</td>
<td>2780 07 30 637</td>
<td>2780 09 13 825</td>
<td></td>
</tr>
</tbody>
</table>

Significant Accounting Policies
See accompanying Notes to the Financial Statements 1 to 18

As per our Report of even date
For Pathak H. D. & Associates
Chartered Accountants
Registration No.: 107783W
Ashutosh Jethlia
Partner
Membership No.: 136007
Mumbai
Dated: April 17, 2017

For and on behalf of the Board
Vinod Ambani
Director
S. Sudhakar
Director
S. Rajagopal
Director
Shivkumar R Bhardwaj
Director
Dhiren V Dalal
Director
## Profit and Loss Statement for the year ended 31st March, 2017

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016-17</th>
<th>Amount ₹</th>
<th>2015-16</th>
<th>Amount ₹</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from operation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of Products</td>
<td>6</td>
<td>2 00 667</td>
<td>2 43 477</td>
<td></td>
</tr>
<tr>
<td>Other Income</td>
<td>7</td>
<td>-</td>
<td>810</td>
<td></td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td></td>
<td>2 00 667</td>
<td>2 44 287</td>
<td></td>
</tr>
<tr>
<td><strong>EXPENDITURE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of Stock-in-Trade</td>
<td></td>
<td>2 00 009</td>
<td>2 42 755</td>
<td></td>
</tr>
<tr>
<td>Other Expenses</td>
<td>8</td>
<td>7 59 593</td>
<td>6 47 000</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td></td>
<td>9 59 602</td>
<td>8 89 755</td>
<td></td>
</tr>
<tr>
<td>Profit / (Loss) Before Tax</td>
<td></td>
<td>(7 58 935)</td>
<td>(6 45 468)</td>
<td></td>
</tr>
<tr>
<td><strong>Tax Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Tax</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Profit / (Loss) for the Year</strong></td>
<td></td>
<td>(7 58 935)</td>
<td>(6 45 468)</td>
<td></td>
</tr>
<tr>
<td><strong>Other comprehensive income:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Items that will be reclassified to profit or loss</td>
<td></td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>b) Other item not to be reclassified in Profit &amp; Loss account</td>
<td></td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td></td>
<td>(7 58 935)</td>
<td>(6 45 468)</td>
<td></td>
</tr>
<tr>
<td><strong>Earnings per equity share of face value of ₹ 10 each</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic (in ₹ )</td>
<td>14</td>
<td>-0.75</td>
<td>-0.64</td>
<td></td>
</tr>
<tr>
<td>Diluted (in ₹ )</td>
<td>14</td>
<td>-0.75</td>
<td>-0.64</td>
<td></td>
</tr>
</tbody>
</table>

**Significant Accounting Policies**
See accompanying Notes to the Financial Statements 1 to 18

---

As per our Report of even date
For Pathak H. D. & Associates
Chartered Accountants
Registration No.: 107783W
Ashutosh Jethlia
Partner
Membership No.: 136007
Mumbai
Dated: April 17, 2017

For and on behalf of the Board
Vinod Ambani
Director
S. Sudhakar
Director
S. Rajagopal
Director
Shivkumar R Bhardwaj
Director
Dhiren V Dalal
Director
Registration No.: 107783W
Statement of Changes in Equity for the year ended 31st March, 2017

A. EQUITY SHARE CAPITAL

<table>
<thead>
<tr>
<th>Reporting Period</th>
<th>Balance at the beginning of the reporting period i.e. 1st April, 2015</th>
<th>Changes in equity share capital during the year 2015-16</th>
<th>Balance at the end of the reporting period i.e. 31st March, 2016</th>
<th>Changes in equity share capital during the year 2016-17</th>
<th>Balance at the end of the reporting period i.e. 31st March, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100,93,000</td>
<td>-</td>
<td>100,93,000</td>
<td>-</td>
<td>100,93,000</td>
</tr>
</tbody>
</table>

B. OTHER EQUITY

<table>
<thead>
<tr>
<th>Reporting Period</th>
<th>Reserves and Surplus (Amount ₹)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Instruments classified as Equity</td>
</tr>
<tr>
<td>Year ended 31st March, 2016</td>
<td>73,25,71,800</td>
</tr>
<tr>
<td>Unsecured Zero Coupon Optionally Convertible Loan</td>
<td>4,50,000</td>
</tr>
<tr>
<td>Total Comprehensive Income for the year</td>
<td></td>
</tr>
<tr>
<td>Balance at the end of the reporting period</td>
<td>73,30,21,800</td>
</tr>
<tr>
<td>Year ended 31st March, 2017</td>
<td>73,30,21,800</td>
</tr>
<tr>
<td>Unsecured Zero Coupon Optionally Convertible Loan</td>
<td>7,50,000</td>
</tr>
<tr>
<td>Total Comprehensive Income for the year</td>
<td></td>
</tr>
<tr>
<td>Balance at the end of the reporting period</td>
<td>73,37,71,800</td>
</tr>
</tbody>
</table>

As per our Report of even date

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

Ashutosh Jethlia
Partner
Membership No.: 136007

Mumbai
Dated: April 17, 2017

For and on behalf of the Board

Vinod Ambani
Director
S. Sudhakar
Director
S. Rajagopal
Director
Shivkumar R Bhardwaj
Director
Dhiren V Dalal
Director
Cash Flow Statement for the year ended 31st March, 2017

<table>
<thead>
<tr>
<th>A</th>
<th>Cash Flow from Operating Activities</th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profit / (Loss) before tax as per Profit and Loss Statement</td>
<td>(758,935)</td>
<td>(645,468)</td>
<td></td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest paid</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Operating (Loss) before Working Capital Changes</td>
<td>(758,935)</td>
<td>(645,468)</td>
<td></td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other current liabilities payable</td>
<td>(7,363)</td>
<td>12,280</td>
<td></td>
</tr>
<tr>
<td>Cash from (used in) Operations</td>
<td>(7,66,298)</td>
<td>(6,33,188)</td>
<td></td>
</tr>
<tr>
<td>Taxes paid</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Net Cash from (used in) Operating Activities</td>
<td>(7,66,298)</td>
<td>(6,33,188)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B</th>
<th>Cash Flow from Investing Activities</th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from Borrowings</td>
<td>7,50,000</td>
<td>4,50,000</td>
<td></td>
</tr>
<tr>
<td>Repayment of Borrowings</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Net Cash from (used in) Financing Activities</td>
<td>7,50,000</td>
<td>4,50,000</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C</th>
<th>Cash Flow from Financing Activities</th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Increase/(Decrease) in Cash and Cash Equivalents</td>
<td>(16,298)</td>
<td>(1,83,188)</td>
<td></td>
</tr>
<tr>
<td>Opening Balance of Cash and Cash Equivalents</td>
<td>87,007</td>
<td>2,70,195</td>
<td></td>
</tr>
<tr>
<td>Closing Balance of Cash and Cash Equivalents (Refer Note No. 2)</td>
<td>70,709</td>
<td>87,007</td>
<td></td>
</tr>
</tbody>
</table>

As per our Report of even date
For Pathak H. D. & Associates
Chartered Accountants
Registration No.: 107783W

Ashtosh Jethlia
Partner
Membership No.: 136007
Mumbai
Dated: April 17, 2017

For and on behalf of the Board
Vinod Ambani
Director
S. Sudhakar
Director
S. Rajagopal
Director
Shivkumar R Bhardwaj
Director
Dhiren V Dalal
Director
Notes to the Financial Statements

A. CORPORATE INFORMATION
Reliance Aromatics and Petrochemicals Limited [‘the company’] is a public limited company incorporated in India. The address of its registered office and principal place of business is at 9th Floor, Maker Chambers IV, 222 Nariman Point, Mumbai 400021. The principal activity of the company is Wholesale Trading of Goods.

B. ACCOUNTING POLICIES
B.1 Basis of Preparation and Presentation
The financial statements have been prepared on the historical cost basis.
The financial statements of the Company have been prepared to comply with the Indian Accounting standards (‘Ind AS’), including the Accounting Standards notified under the relevant provisions of the companies Act, 2013.
Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as “Previous GAAP”.
These financial statements are the Company’s first Ind AS consolidated financial statements and as covered by Ind AS 101 - First time adoption of Indian Accounting Standards.
Company’s financial statements are presented in Indian Rupees (₹), which is its functional currency.

B.2 Summary of Significant Accounting Policies
(a) Borrowings Cost
All borrowing costs are charged to the Profit and Loss Statement in the period in which they are incurred.

(b) 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 and other costs net of recoverable taxes incurred in bringing them to their respective present location and condition.
Cost of Inventories are determined on weighted average basis.

(c) Provisions
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(d) Taxation
The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income and equity.

Current Tax
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Deferred Tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.
Notes to the Financial Statements (Contd.)

(e) Cash and cash equivalents
Cash and cash equivalents includes cash in hand and deposits with any qualifying financial institution repayable on demand or maturing within three months of the date of acquisition and which are subject to an insignificant risk of change in value.

(f) Foreign currencies
Company’s financial statements are presented in INR, which is also its functional currency.

Transactions and balances
Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.
Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

(g) Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.
Revenue is recognised only if following condition are satisfied:
> The Company has transferred risks and rewards incidental to ownership to the customer;
> The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
> It is probable that the economic benefit associated with the transaction will flow to the Company; and
> it can be reliably measured and it is reasonable to expect ultimate collection
Revenue from operations includes sale of goods, services and service tax.

Interest income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

Dividends
Revenue is recognised when the Company’s right to receive the payment has been established.

(h) Financial instruments
i) Financial Assets
A. Initial recognition and measurement
All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement
a) Financial assets carried at amortised cost (AC)
A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
b) **Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) **Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

C. **Equity instruments**

All equity investments are measured at fair value, with value changes recognised in statement of profit and loss, except for those equity investments for which the company has elected to present the value changes in ‘Other Comprehensive Income’.

D. **Investment in Holding, Subsidiaries, Associates and Joint Ventures**

The Company has accounted for its investments in holding, subsidiaries, associates and joint venture at cost.

E. **Impairment of financial assets**

The Company assesses impairment based on expected credit loss (ECL) model to the following:

a) Financial assets at amortised cost

b) Financial assets measured at fair value through Other Comprehensive income

The company follows ‘simplified approach’ for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The company uses historical loss experience to determine the impairment loss allowance on the portfolio of trade receivables. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ii) **Financial Liabilities**

A. **Initial recognition and measurement:**

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

B. **Subsequent measurement:**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

C. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:**

The preparation of the Company’s financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.
Notes to the Financial Statements (Contd.)

(a) **Recoverability of trade receivable:**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

(b) **Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

(c) **Impairment of financial assets:**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

D. **FIRST TIME ADOPTION OF IND AS**

The Company has adopted Ind AS with effect from 1st April 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2015 and all the periods presented have been restated accordingly.

a) **Exemptions from retrospective application:**

(i) **Investments in holding, subsidiaries, fellow subsidiaries and associates**

The Company has elected to measure investment in holding, subsidiaries, fellow subsidiaries and associates at cost.
### Notes to the Financial Statements (Contd.)

<table>
<thead>
<tr>
<th></th>
<th>31st March, 2017</th>
<th>31st March, 2016</th>
<th>1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Units</td>
<td>Amount</td>
<td>Units</td>
</tr>
<tr>
<td><strong>1. NON-CURRENT INVESTMENTS</strong>&lt;br&gt;(Long Term Investments)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Investments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments measured at Cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In Equity Shares of Ultimate Holding Company Quoted, fully paid up</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reliance Industries Limited of ₹ 10 each</td>
<td>2,98,89,898</td>
<td>1671 77 43 630</td>
<td>2,98,89,898</td>
</tr>
<tr>
<td>In Preference shares of Fellow Subsidiary Companies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Revised Classification Equity)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unquoted, fully paid up</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10% Non-Cumulative Optionally Convertible Preference Shares of Reliance Chemicals Limited of ₹ 10 each</td>
<td>50,92,700</td>
<td>1018 54 00 000</td>
<td>50,92,700</td>
</tr>
<tr>
<td>11% Non-Cumulative Optionally Convertible Preference Shares of Reliance Universal Enterprises Limited of ₹ 10 each</td>
<td>1,79,500</td>
<td>89 75 00 000</td>
<td>1,79,500</td>
</tr>
<tr>
<td>Aggregate amount of quoted investments</td>
<td>1108 29 00 000</td>
<td>1108 29 00 000</td>
<td>1108 29 00 000</td>
</tr>
<tr>
<td>Market Value of quoted investments</td>
<td>3,94,81,56,268</td>
<td></td>
<td>3,12,49,21,390</td>
</tr>
<tr>
<td>Aggregate amount of unquoted investments</td>
<td>1108 29 00 000</td>
<td></td>
<td>1108 29 00 000</td>
</tr>
<tr>
<td><strong>Total Non Current Investments</strong></td>
<td>27,80 06 43 630</td>
<td>27,80 06 43 630</td>
<td>27,80 06 43 630</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>31st March, 2017</th>
<th>31st March, 2016</th>
<th>1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Amount ₹)</td>
<td>(Amount ₹)</td>
<td>(Amount ₹)</td>
</tr>
<tr>
<td><strong>1.1 Category-wise Non current investment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>As at</strong></td>
<td><strong>31st March, 2017</strong></td>
<td><strong>As at</strong></td>
<td><strong>31st March, 2016</strong></td>
</tr>
<tr>
<td>Financial assets measured at Cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In Equity Shares of Ultimate Holding Company</td>
<td>1671 77 43 630</td>
<td>1671 77 43 630</td>
<td>1671 77 43 630</td>
</tr>
<tr>
<td>In Preference shares of Fellow Subsidiary Companies</td>
<td>1108 29 00 000</td>
<td>1108 29 00 000</td>
<td>1108 29 00 000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27,80 06 43 630</strong></td>
<td><strong>27,80 06 43 630</strong></td>
<td><strong>27,80 06 43 630</strong></td>
</tr>
</tbody>
</table>

### 2. CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th></th>
<th>31st March, 2017</th>
<th>31st March, 2016</th>
<th>1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Amount ₹)</td>
<td>(Amount ₹)</td>
<td>(Amount ₹)</td>
</tr>
<tr>
<td><strong>As at</strong></td>
<td><strong>31st March, 2017</strong></td>
<td><strong>As at</strong></td>
<td><strong>31st March, 2016</strong></td>
</tr>
<tr>
<td>Balance with bank</td>
<td>70 709</td>
<td>87 007</td>
<td>2 70 195</td>
</tr>
<tr>
<td>Cash and cash equivalents as per balance sheet</td>
<td>70 709</td>
<td>87 007</td>
<td>2 70 195</td>
</tr>
<tr>
<td>Cash and cash equivalent as per statement of cash flows</td>
<td>70 709</td>
<td>87 007</td>
<td>2 70 195</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements (Contd.)

3. SHARE CAPITAL

Authorised:

<table>
<thead>
<tr>
<th>Shares Type</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Units</td>
<td>Amount</td>
<td>Units</td>
</tr>
<tr>
<td>Equity Shares of ₹ 10/- each</td>
<td>10,30,000</td>
<td>1 03 00 000</td>
<td>10,30,000</td>
</tr>
<tr>
<td>Preference Shares of ₹ 100/- each</td>
<td>1,000</td>
<td>1 00 000</td>
<td>1,000</td>
</tr>
<tr>
<td>Preference Shares of ₹ 10/- each</td>
<td>35,10,000</td>
<td>3 51 00 000</td>
<td>35,10,000</td>
</tr>
</tbody>
</table>

Issued, Subscribed and Paid up:

<table>
<thead>
<tr>
<th>Shares Type</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Units</td>
<td>Amount</td>
<td>Units</td>
</tr>
<tr>
<td>Equity Shares of ₹ 10/- each fully paid up</td>
<td>10,09,300</td>
<td>1 00 93 000</td>
<td>10,09,300</td>
</tr>
<tr>
<td>10% Non-Cumulative Optionally Convertible Preference shares of ₹ 10 each fully paid up</td>
<td>28,73,500</td>
<td>2 87 35 000</td>
<td>28,73,500</td>
</tr>
<tr>
<td>9% Non-Cumulative Optionally Convertible Preference shares of ₹ 10 each fully paid up</td>
<td>6,33,680</td>
<td>63 36 800</td>
<td>6,33,680</td>
</tr>
<tr>
<td>Total Paid up Capital</td>
<td>4 51 64 800</td>
<td>4 51 64 800</td>
<td>4 51 64 800</td>
</tr>
<tr>
<td>Less : Instruments classified as Equity</td>
<td>(3 50 71 800)</td>
<td>(3 50 71 800)</td>
<td>(3 50 71 800)</td>
</tr>
<tr>
<td></td>
<td>1 00 93 000</td>
<td>1 00 93 000</td>
<td>1 00 93 000</td>
</tr>
</tbody>
</table>

3.1 The details of shareholders holding more than 5% shares:

<table>
<thead>
<tr>
<th>Name of the Shareholders</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of shares</td>
<td>% held</td>
<td>No. of shares</td>
</tr>
<tr>
<td>Holding Company : Equity Shares</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reliance Industrial Investments and Holdings Limited</td>
<td>10 09 300</td>
<td>100.00</td>
<td>10 09 300</td>
</tr>
<tr>
<td>Fellow Subsidiary Companies : Preference Shares</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reliance Universal Enterprises Limited</td>
<td>28 73 500</td>
<td>100.00</td>
<td>28 73 500</td>
</tr>
<tr>
<td>Reliance World Trade Private Limited</td>
<td>6 33 680</td>
<td>100.00</td>
<td>6 33 680</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements (Contd.)

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

<table>
<thead>
<tr>
<th>Name of the Shareholders</th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at April 1, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Equity (Nos.)</td>
<td>Preference (Nos.)</td>
<td>Equity (Nos.)</td>
</tr>
<tr>
<td>Shares at the beginning of the year</td>
<td>10 09 300</td>
<td>35 07 180</td>
<td>10 09 300</td>
</tr>
<tr>
<td>Add : Shares issued during the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Shares at the end of the year</td>
<td>10 09 300</td>
<td>35 07 180</td>
<td>10 09 300</td>
</tr>
</tbody>
</table>

3.3 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.
All 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.

4. OTHER EQUITY

<table>
<thead>
<tr>
<th></th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at April 1, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Redemption Reserve</td>
<td>64 18 000</td>
<td>64 18 000</td>
<td>64 18 000</td>
</tr>
<tr>
<td>Securities Premium Reserve</td>
<td>1750 08 28 200</td>
<td>1750 08 28 200</td>
<td>1750 08 28 200</td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>955 03 43 874</td>
<td>955 09 89 342</td>
<td></td>
</tr>
<tr>
<td>Less : Loss for the year</td>
<td>(7 58 935)</td>
<td>(6 45 468)</td>
<td></td>
</tr>
<tr>
<td>Instruments classified as Equity</td>
<td>954 95 84 939</td>
<td>955 03 43 874</td>
<td>955 09 89 342</td>
</tr>
<tr>
<td>Non-Cumulative Optionally Convertible Preference Shares of ₹ 10/- each (Refer Note 1)</td>
<td>3 50 71 800</td>
<td>3 50 71 800</td>
<td></td>
</tr>
<tr>
<td>Zero Coupon Unsecured Optionally Convertible Debentures (Refer Note 2)</td>
<td>69 75 00 000</td>
<td>69 75 00 000</td>
<td></td>
</tr>
<tr>
<td>Unsecured Zero Coupon Optionally Convertible Loan (Refer Note 3)</td>
<td>12 00 000</td>
<td>4 50 000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>73 37 71 800</td>
<td>73 30 21 800</td>
<td>73 25 71 800</td>
</tr>
<tr>
<td></td>
<td>2779 06 02 939</td>
<td>2779 06 11 874</td>
<td>2779 08 07 342</td>
</tr>
</tbody>
</table>
1) 28,73,500 Nos of 10% Non-Cumulative Optionally-Convertible Preference Shares of ₹ 10/- each issued to Reliance Universal Enterprises Limited (a fellow subsidiary) redeemable at the option of the Company, at the end of fifteen years from the date of allotment i.e. 17-11-2009, by giving not less than thirty days notice to the holder of the Preference Shares, at a premium of ₹ 4,990 per share. The Company (Issuer) will have an option for early conversion at any time by giving one month notice to the Preference Shareholder. The conversion of the Preference Shares will be based on higher of the book value or face value of the share as at March 31, 2015.

6,33,680 Nos of 9% Non-Cumulative Optionally-Convertible Preference Shares of ₹ 10/- each issued to Reliance World Trade Private Limited (a fellow subsidiary) redeemable at the option of the Company, at the end of ten years from the dates of allotment i.e. 13-01-2010 & 25-11-2013, by giving not less than thirty days notice to the holder of the Preference Shares, at a premium of ₹ 4,990 per share. The Company (Issuer) will have an option for early conversion at any time by giving one month notice to the Preference Shareholder. The conversion of the Preference Shares will be based on higher of the book value or face value of the share as at March 31, 2015.

2) The Zero Coupon Unsecured Optionally Convertible Debentures (OFCD) from Reliance Industrial Investments and Holdings Limited (the holding Company) is redeemable at the end of fifteen years from the date of allotment i.e. 21-03-2016. The Company (Issuer) may redeem the outstanding OFCDs on any date after expiry of 30 days from the date of allotment of the OFCDs. The Company (Issuer) and the debenture holder may mutually agree for early conversion of the outstanding debentures at any time after allotment by giving one month notice to the Company on higher of book value ₹ 9479.34 per share or face value ₹ 10/- per share as at March 31, 2015.

3) The Zero Coupon Optionally Convertible Loan from Reliance Strategic Investments Limited (a fellow subsidiary) is fully convertible into equity shares of ₹ 10/- each at par, at the option of the Company. The outstanding amount of Loan, if not opted for conversion shall be repayable, at the end of 10 years from the date of first disbursement i.e., 13.01.2016 or such other period as may be mutually agreed between the Borrower and the Lender.

4) In view of the loss for the year, the company has not created the Debenture Redemption Reserve for ₹ 1 16 16 513 (Previous Year ₹ 3 50 087) 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.

5. OTHER FINANCIAL LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>As at 31st March, 2017</th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Payables *</td>
<td>18 400</td>
<td>25 763</td>
<td>13 483</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Includes Statutory Dues and liabilities for expenses.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Company does not have creditors governed by the Micro, Small and Medium Enterprises Development Act, 2006.

6. SALE OF PRODUCTS

<table>
<thead>
<tr>
<th></th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of Fabrics</td>
<td>2 00 667</td>
<td>2 43 477</td>
</tr>
<tr>
<td></td>
<td>2 00 667</td>
<td>2 43 477</td>
</tr>
</tbody>
</table>

7. OTHER INCOME

<table>
<thead>
<tr>
<th></th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Non Operating Income</td>
<td>-</td>
<td>810</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements (Contd.)

8. OTHER EXPENSE

<table>
<thead>
<tr>
<th>Establishment Expenses</th>
<th>2016-17 (₹)</th>
<th>2015-16 (₹)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Fees</td>
<td>97,788</td>
<td>14,313</td>
</tr>
<tr>
<td>General Expenses</td>
<td>1,398</td>
<td>1,622</td>
</tr>
<tr>
<td>Filing fees</td>
<td>11,426</td>
<td>6,000</td>
</tr>
<tr>
<td>Profession Tax</td>
<td>2,500</td>
<td>2,500</td>
</tr>
<tr>
<td>Demat / Custodian charges</td>
<td>1,831</td>
<td>1,798</td>
</tr>
<tr>
<td>Directors Sitting Fees</td>
<td>6,20,500</td>
<td>6,03,592</td>
</tr>
<tr>
<td>Payment to Auditors</td>
<td>24,150</td>
<td>17,175</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,59,593</strong></td>
<td><strong>6,47,000</strong></td>
</tr>
</tbody>
</table>

8.1 Payment to Auditors as (Amount ₹)

<table>
<thead>
<tr>
<th>2016-17 (₹)</th>
<th>2015-16 (₹)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory Audit fees</td>
<td>18,400</td>
</tr>
<tr>
<td>Certification fees</td>
<td>5,750</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>24,150</strong></td>
</tr>
</tbody>
</table>

Certification fees includes certification fees paid to auditors towards certification of XBRL filings.

9. EARNINGS PER SHARE

<table>
<thead>
<tr>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profit after Tax as per Profit and Loss Statement attributable to Equity Shareholders (₹)</td>
<td>(7,58,935)</td>
</tr>
<tr>
<td>Weighted Average number of Equity Shares for calculating Basic EPS</td>
<td>10,09300</td>
</tr>
<tr>
<td>Effect of dilution:</td>
<td></td>
</tr>
<tr>
<td>Optionally Convertible Debentures</td>
<td>73,581</td>
</tr>
<tr>
<td>Optionally Convertible Preference Shares</td>
<td>18,49,907</td>
</tr>
<tr>
<td>Optionally Convertible Loans</td>
<td>81,945</td>
</tr>
<tr>
<td>Weighted average number Potential Equity Shares</td>
<td>30,14,734</td>
</tr>
<tr>
<td>Basic Earnings per share (₹)</td>
<td>(0.75)</td>
</tr>
<tr>
<td>Diluted Earnings per share (₹)</td>
<td>(0.75)</td>
</tr>
<tr>
<td>Face Value per Equity Share (₹)</td>
<td>10</td>
</tr>
</tbody>
</table>

10. The Income-Tax assessments of the Company have been completed up to Assessment Year 2014-15. The disputed demand outstanding up to the said Assessment Year is ₹ Nil.

11. Details of loans given, investments made and guarantee given covered u/s 186 (4) of the Companies Act, 2013.
Loans given and Investments made are given under the respective heads
No Guarantees / Securities are given by the Company as at 31st March, 2017

12. DETAILS OF SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED DURING THE PERIOD 08/11/2016 TO 30/12/2016 IS AS UNDER:
The Company does not receive or, does not make any payment in Cash. Accordingly Cash balance as on 8th November 2016 and as on 30th December 2016 was Nil.

13. APPROVAL OF FINANCIAL STATEMENTS
The financial statements were approved by the Board of Directors on April 17, 2017.
## Notes to the Financial Statements (Contd.)

### 14 RELATED PARTY DISCLOSURES

(i) As per Ind AS 24, the disclosures of transactions with the related parties are given below:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the Related Party</th>
<th>Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Reliance Industries Limited</td>
<td>Ultimate Holding Company</td>
</tr>
<tr>
<td>2</td>
<td>Reliance Industrial Investments and Holdings Limited</td>
<td>Holding Company</td>
</tr>
<tr>
<td>3</td>
<td>Reliance Chemicals Limited</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Reliance Universal Enterprises Limited</td>
<td>Fellow Subsidiary Companies</td>
</tr>
<tr>
<td>5</td>
<td>Reliance World Trade Private Limited</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Reliance Strategic Investments Limited</td>
<td></td>
</tr>
</tbody>
</table>

(ii) Transactions during the year with related parties:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Nature of Transaction (Excluding reimbursements)</th>
<th>Ultimate Holding Company</th>
<th>Holding Company</th>
<th>Fellow Subsidiary Companies</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Unsecured Loan converted into Zero Coupon Optionally Convertible Debentures</td>
<td>-</td>
<td>69 75 00 000</td>
<td>-</td>
<td>69 75 00 000</td>
</tr>
<tr>
<td>2</td>
<td>Net Loans taken / (repaid)</td>
<td>-</td>
<td>-</td>
<td>7 50 000</td>
<td>7 50 000</td>
</tr>
<tr>
<td>3</td>
<td>Purchases</td>
<td>2 00 009</td>
<td>-</td>
<td>-</td>
<td>2 00 009</td>
</tr>
</tbody>
</table>

**Balance as at 31st March, 2017**

- 1 00 93 000
- 1 00 93 000
- 1753 59 00 000
- 1753 59 00 000
- 69 75 00 000
- 69 75 00 000
- 1108 29 00 000
- 1108 29 00 000

**Investments**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Relationship</th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Unsecured Loan converted into Zero Coupon Optionally Convertible Debentures</td>
<td>-</td>
<td>69 75 00 000</td>
</tr>
<tr>
<td>2</td>
<td>Net Loans taken / (repaid)</td>
<td>Reliance Strategic Investments Limited</td>
<td>Fellow Subsidiary</td>
</tr>
<tr>
<td>3</td>
<td>Purchases</td>
<td>Reliance Industries Limited</td>
<td>Ultimate Holding</td>
</tr>
</tbody>
</table>

**Notes:**

1. The transactions with related parties are made on terms equivalent to those that prevail in arm’s length transactions. Review of Outstanding Balances are undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. These balances are unsecured and settlement occurs through banking channel.
#### 15 SEGMENT INFORMATION

The Company operating segments are established on the basis of those components which are evaluated regularly by the Board (the ‘Chief Operating Decision Maker’ as defined in Ind AS 108 ‘Operating Segments’), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of activities and the differing risks and returns. The Company has two principal operating and reporting segments; viz. Finance & Investments and Trading as follows:

a) The Finance and Investment segment, which comprises of loans, investments and borrowings of the Company.

b) The Trading segment, denotes wholesale trading of Fabrics undertaken by the company.

c) No operating segments have been aggregated to form the above reportable operating segments.

d) 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”.

#### Year ended 31st March, 2017

<table>
<thead>
<tr>
<th>Sr</th>
<th>Particulars</th>
<th>Finance &amp; Investments</th>
<th>Trading</th>
<th>Unallocable</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Segment Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>External Turnover</td>
<td></td>
<td>2 00667</td>
<td></td>
<td>2 00667</td>
</tr>
<tr>
<td></td>
<td>Total Revenue</td>
<td></td>
<td>2 00667</td>
<td></td>
<td>2 00667</td>
</tr>
<tr>
<td>2</td>
<td>Income / (expenses)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Depreciation and amortisation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Segment Profit</td>
<td></td>
<td>658</td>
<td>(7 59 593)</td>
<td>(7 58 935)</td>
</tr>
<tr>
<td></td>
<td>Current tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Deferred tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Profit after tax</td>
<td></td>
<td>658</td>
<td>(7 59 593)</td>
<td>(7 58 935)</td>
</tr>
<tr>
<td>4</td>
<td>Total Assets</td>
<td>2780 07 14 339</td>
<td></td>
<td></td>
<td>2780 07 14 339</td>
</tr>
<tr>
<td>5</td>
<td>Total Liabilities</td>
<td>18 400</td>
<td></td>
<td></td>
<td>18 400</td>
</tr>
<tr>
<td>6</td>
<td>Other disclosures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Capital Expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Year ended 31st March, 2016

<table>
<thead>
<tr>
<th>Sr</th>
<th>Particulars</th>
<th>Finance &amp; Investments</th>
<th>Trading</th>
<th>Unallocable</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Segment Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>External Turnover</td>
<td></td>
<td>2 43477</td>
<td></td>
<td>2 43477</td>
</tr>
<tr>
<td></td>
<td>Total Revenue</td>
<td></td>
<td>2 43477</td>
<td></td>
<td>2 43477</td>
</tr>
<tr>
<td>2</td>
<td>Income / (expenses)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Depreciation and amortisation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Segment Profit</td>
<td></td>
<td>722</td>
<td>(6 46 190)</td>
<td>(6 45 468)</td>
</tr>
<tr>
<td></td>
<td>Current tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Deferred tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Profit after tax</td>
<td></td>
<td>722</td>
<td>(6 46 190)</td>
<td>(6 45 468)</td>
</tr>
<tr>
<td>4</td>
<td>Total Assets</td>
<td>2780 07 30 637</td>
<td></td>
<td></td>
<td>2780 07 30 637</td>
</tr>
<tr>
<td>5</td>
<td>Total Liabilities</td>
<td>25 763</td>
<td></td>
<td></td>
<td>25 763</td>
</tr>
<tr>
<td>6</td>
<td>Other disclosures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Capital Expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Notes to the Financial Statements (Contd.)

As at 1st April, 2015

<table>
<thead>
<tr>
<th>Sr</th>
<th>Particulars</th>
<th>Finance &amp; Investments</th>
<th>Trading</th>
<th>Unallocable</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Total Assets</td>
<td>2780 09 13 825</td>
<td>-</td>
<td>-</td>
<td>2780 09 13 825</td>
</tr>
<tr>
<td>2</td>
<td>Total Liabilities</td>
<td>13 483</td>
<td>-</td>
<td>-</td>
<td>13 483</td>
</tr>
<tr>
<td>3</td>
<td>Other disclosures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Capital Expenditure</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Reconciliations to amounts reflected in the financial statements

Reconciliation of profit

<table>
<thead>
<tr>
<th>Segment profit</th>
<th>Profit / (Loss) Before Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>(7 58 935)</td>
<td>(7 58 935)</td>
</tr>
</tbody>
</table>

As at 31st March, 2017

Reconciliation of assets

<table>
<thead>
<tr>
<th>Segment operating assets</th>
<th>Total assets</th>
<th>Segment operating liabilities</th>
<th>Total liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2780 07 14 339</td>
<td>2780 07 14 339</td>
<td>18 400</td>
<td>18 400</td>
</tr>
</tbody>
</table>

As at 31st March, 2016

Notes:
1) Since all the operations of the Company are conducted within India, as such there is no separate reportable geographical segment.
2) Entire Revenue is from sale to its largest customer. No other single customer contributed 10% or more to the Company’s revenue for both 2016-17 and 2015-16.

16 CAPITAL MANAGEMENT
The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders. The company manages its capital structure and make adjustment in light of changes in business condition. The overall strategy remains unchanged as compared to last year.

17 FINANCIAL RISK MANAGEMENT
The Company’s activities expose it to liquidity risk and credit risk.

A) Liquidity Risk
Liquidity risk is the risk that suitable sources of funding for the company’s business activities may not be available. Management monitors rolling forecasts of the company’s liquidity position and cash and cash equivalents on the basis of expected cash flows. Company manages liquidity risk by maintaining adequate reserves and matching maturity profiles of financial assets and financial liabilities.

B) Credit Risk
Credit risk is the risk that a customer will fail to pay amounts due causing financial loss to the company. It arises from cash and cash equivalents and principally from credit exposures to customers relating to outstanding receivables.

16 CAPITAL MANAGEMENT
The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders. The company manages its capital structure and make adjustment in light of changes in business condition. The overall strategy remains unchanged as compared to last year.

17 FINANCIAL RISK MANAGEMENT
The Company’s activities expose it to liquidity risk and credit risk.

A) Liquidity Risk
Liquidity risk is the risk that suitable sources of funding for the company’s business activities may not be available. Management monitors rolling forecasts of the company’s liquidity position and cash and cash equivalents on the basis of expected cash flows. Company manages liquidity risk by maintaining adequate reserves and matching maturity profiles of financial assets and financial liabilities.

B) Credit Risk
Credit risk is the risk that a customer will fail to pay amounts due causing financial loss to the company. It arises from cash and cash equivalents and principally from credit exposures to customers relating to outstanding receivables.
18 FIRST-TIME IND AS ADOPTION RECONCILIATIONS

18.1 Effect of Ind AS adoption on the consolidated balance sheet as at 31st March, 2016 and 1st April, 2015  

<table>
<thead>
<tr>
<th></th>
<th>As at 31st March, 2016</th>
<th>As at 1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Previous Effect of GAAP transition to Ind AS</td>
<td>As per Ind AS balance sheet</td>
</tr>
<tr>
<td>ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>2780 06 43 630</td>
<td>2780 06 43 630</td>
</tr>
<tr>
<td>Total Non Current Assets</td>
<td>2780 06 43 630</td>
<td>2780 06 43 630</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>87 007</td>
<td>87 007</td>
</tr>
<tr>
<td>Total Non Current Assets</td>
<td>87 007</td>
<td>87 007</td>
</tr>
<tr>
<td>Total Assets</td>
<td>2780 07 30 637</td>
<td>2780 07 30 637</td>
</tr>
<tr>
<td>EQUITY AND LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity Share capital</td>
<td>1 00 93 000</td>
<td>1 00 93 000</td>
</tr>
<tr>
<td>Other Equity</td>
<td>2779 06 11 874</td>
<td>2779 06 11 874</td>
</tr>
<tr>
<td>Total equity</td>
<td>2780 07 04 874</td>
<td>2780 07 04 874</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Current liabilities</td>
<td>25 763</td>
<td>25 763</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>25 763</td>
<td>25 763</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>25 763</td>
<td>25 763</td>
</tr>
<tr>
<td>Total Equity and Liabilities</td>
<td>2780 07 30 637</td>
<td>2780 07 30 637</td>
</tr>
</tbody>
</table>
### 18.2 Reconciliation of Profit and Other Equity between IndAS and Previous GAAP

<table>
<thead>
<tr>
<th>Notes</th>
<th>31st March, 2016</th>
<th>31st March, 2016</th>
<th>1st April, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profit / Other Equity as per Previous Indian GAAP</td>
<td>(6,45,468)</td>
<td>2,779,06,11,874</td>
<td>2,779,08,07,342</td>
</tr>
<tr>
<td>Net profit before OCI / Other Equity as per Ind AS</td>
<td>(6,45,468)</td>
<td>2,779,06,11,874</td>
<td>2,779,08,07,342</td>
</tr>
</tbody>
</table>

### 18.3 Effect of Ind AS adoption on the Profit and Loss Statement for the year ended 31st March, 2016

<table>
<thead>
<tr>
<th>Notes</th>
<th>Previous GAAP</th>
<th>Effect of transition to Ind AS</th>
<th>As per IndAS Balance Sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>INCOME</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from operation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of Products</td>
<td>2,43,477</td>
<td>-</td>
<td>2,43,477</td>
</tr>
<tr>
<td>Other Income</td>
<td>810</td>
<td>-</td>
<td>810</td>
</tr>
<tr>
<td>Total Income</td>
<td>2,44,287</td>
<td>-</td>
<td>2,44,287</td>
</tr>
</tbody>
</table>

| EXPENDITURE | | | |
| Purchase of Stock-in-Trade | 2,42,755 | - | 2,42,755 |
| Other Expenses | 6,47,000 | - | 6,47,000 |
| Total Expenses | 8,89,755 | - | 8,89,755 |
| Profit / (Loss) Before Tax | (6,45,468) | - | (6,45,468) |
| Tax Expenses | | | |
| Current Tax | - | - | - |
| Deferred Tax | - | - | - |
| Profit / (Loss) for the Year | (6,45,468) | - | (6,45,468) |

As per our Report of even date

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

Ashutosh Jethlia
Partner
Membership No.: 136007
Mumbai
Dated: April 17, 2017

For and on behalf of the Board

Vinod Ambani
S. Sudhakar
S. Rajagopal
Director
Director
Director

Shivkumar R Bhardwaj
Dhiren V Dalal
Director
Director