

Independent Auditors' Report

To the Members of Reliance Industries Limited

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of Reliance Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

Management's Responsibility for the Standalone 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 including Other Comprehensive Income, Cash Flows and the Statement of Changes in Equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone 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 Standalone 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 Standalone Financial Statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 standalone Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone 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 Standalone Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Standalone 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 March 31, 2018, its Profit including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

Other Matters

1. The accompanying Standalone Financial Statements and other financial information includes the Company's proportionate share in unincorporated joint operation in respect of total assets of ₹ 319 crore, total expenditure of ₹ 446 crore and the elements making up the Cash Flow Statement and related disclosures in respect of an unincorporated joint operation which is based on statements from the operator and certified by the management. Our opinion is not modified in respect of above matter.
2. The comparative financial information of the Company for the year ended March 31, 2017 prepared in accordance

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with Indian Accounting Standards, included in these Standalone Financial Statements, have been audited by the predecessor auditors. The report of the predecessor auditors on the comparative financial information dated April 24, 2017 expressed an unmodified opinion.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1, 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 purpose 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, Statement of Profit and Loss including Other Comprehensive Income, 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 Standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 2" to this report;
 - (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 has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 33 to the Standalone Financial Statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except for an amount of ₹ 19.02 crore which are held in abeyance due to pending legal cases.

For **D T S & Associates**
Chartered Accountants
(Registration No.142412W)

T P Ostwal
Partner
Membership No. 030848

Mumbai
Date: April 27, 2018

For **S R B C & CO LLP**
Chartered Accountants
(Registration No.324982E/E300003)

Vikas Kumar Pansari
Partner
Membership No. 093649

Annexure 1

To the Independent Auditor's Report on the Standalone Financial Statements of Reliance Industries Limited

(Referred to in paragraph 1, under 'Report on Other Legal and Regulatory Requirements' section of our Report)

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| <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(b) The Company has a regular programme for physical verification in a phased periodic manner, which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.</p> <p>(c) According to information and explanations given by the management, the title deeds/lease deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company except for the immovable properties which were acquired by entities that have since been amalgamated with the Company; property acquired during the year of ₹178 crore for which the registration of title deeds is in progress and in cases of leasehold land of ₹ 89 crore in respect of which the letters of allotment are received and supplementary agreements entered; however, lease deeds are pending execution (Refer note 1.1 of the Financial Statements).</p> <p>(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.</p> <p>(iii) (a) The Company has granted loans to parties covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations provided to us, the terms and conditions of the grant of such loans are prima facie not prejudicial to the Company's interest.</p> <p>(b) The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.</p> <p>(c) The Principal and interest are not overdue in respect of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.</p> | <p>(iv) In our opinion and according to the information and explanations provided to us, provisions of section 185 and 186 of the Companies Act 2013 and in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.</p> <p>(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.</p> <p>(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacturing activities, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.</p> <p>(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Goods and Services Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues applicable to it.</p> <p>(b) According to the information and explanations provided to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Service Tax, Sales-Tax, Goods and Services Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable.</p> <p>(c) According to the records of the Company, the dues of Income-Tax, Sales-Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax and Cess which have not been deposited on March 31, 2018 on account of any dispute, are as follows:</p> |
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Annexure 1

To the Independent Auditor's Report on the Standalone Financial Statements of Reliance Industries Limited

Name of the Statute	Nature of Dues	Amount (₹ in crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	11	2009-10	Commissioner of Income-Tax (Appeals)
Central Excise Act, 1944	Excise Duty and Service Tax	1	Various Years from 1990-91 to 2017-18	Commissioner of Central Excise (Appeals)
		102	Various Years from 1991-92 to 2010-11	Central Excise and Service Tax Appellate Tribunal
		4	Various Years from 2006-07 to 2009-10	High Court
Central Sales Tax Act, 1956 and Sales Tax Act of various States	Sales Tax/ VAT and Entry Tax	282	Various Years from 1983-88 to 2012-13	Sales Tax Appellate Tribunal
		54	Various Years from 1999-00 to 2011-12	High Court
		24	2001-02 and 2008-09	Supreme Court
Customs Act, 1962	Customs Duty	20	2007-08	Central Excise and Service Tax Appellate Tribunal
Total		498		

- (viii) In our opinion and according to the information and explanations provided by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations provided by the management, the Company has utilized the monies raised by way of debt instruments and term loans for the purposes for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations provided by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations provided by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations provided by the management, transactions with the related parties are
- in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations provided to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations provided by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations provided to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **D T S & Associates**
Chartered Accountants
(Registration No.142412W)

T P Ostwal
Partner
Membership No. 030848

Mumbai
Date: April 27, 2018

For **S R B C & COLL P**
Chartered Accountants
(Registration No.324982E/E300003)

Vikas Kumar Pansari
Partner
Membership No. 093648

Annexure 2

To the Independent Auditor's Report on the Standalone Financial Statements of Reliance Industries Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Reliance Industries Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone 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 issued by the Institute of Chartered Accountants of India. 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 the 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. 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 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 March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **D T S & Associates**
Chartered Accountants
(Registration No.142412W)

T P Ostwal
Partner
Membership No. 030848

Mumbai
Date: April 27, 2018

For **S R B C & CO LLP**
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Vikas Kumar Pansari
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