

Balance Sheet

as at 31st March, 2016

(₹ in crore)

	Note	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	2,948	2,943
Reserves and Surplus	2	2,40,695	2,15,539
		2,43,643	2,18,482
Share Application Money Pending Allotment	1	8	17
Minority Interest		3,254	3,038
Non-Current Liabilities			
Long Term Borrowings	3	1,42,000	1,20,777
Deferred Payment Liabilities		13,310	7,388
Deferred Tax Liability (net)	4	13,821	12,974
Other Long Term Liabilities	5	2,439	1,703
Long Term Provisions	6	1,869	1,554
		1,73,439	1,44,396
Current Liabilities			
Short Term Borrowings	7	23,954	27,965
Trade Payables	8		
Micro, Small and Medium Enterprises		235	136
Others		61,017	59,271
Other Current Liabilities	9	99,028	45,789
Short Term Provisions	10	1,636	5,392
		1,85,870	1,38,553
Total		6,06,214	5,04,486
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	1,07,781	99,198
Intangible Assets	11	61,999	52,863
Capital Work-in-Progress	11	1,74,831	1,06,256
Intangible Assets Under Development	11	75,111	60,206
Goodwill on Consolidation		5,251	4,397
Non-Current Investments	12	37,005	25,437
Long Term Loans and Advances	13	17,621	19,538
Other Non-Current Assets	14	28	14
		4,79,627	3,67,909
Current Assets			
Current Investments	15	39,928	51,014
Inventories	16	46,964	53,248
Trade Receivables	17	4,897	5,315
Cash and Bank Balances	18	11,197	12,545
Short Term Loans and Advances	19	17,834	11,171
Other Current Assets	20	5,767	3,284
		1,26,587	1,36,577
Total		6,06,214	5,04,486
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1 to 37		

As per our Report of even date

For **Chaturvedi & Shah**
Chartered AccountantsFor **Deloitte Haskins & Sells LLP**
Chartered AccountantsFor **Rajendra & Co.**
Chartered Accountants**Rajesh D. Chaturvedi**
Partner**A. B. Jani**
Partner**A.R. Shah**
Partner**Alok Agarwal**
Chief Financial Officer**Srikanth Venkatachari**
Joint Chief Financial Officer**K. Sethuraman**
Company SecretaryMumbai
Date : April 22, 2016

For and on behalf of the Board

M.D. Ambani	- Chairman & Managing Director
N.R. Meswani	} Executive Directors
H.R. Meswani	
P.M.S. Prasad	
P. K. Kapil	} Directors
M.L. Bhakta	
Y.P. Trivedi	
Dr. D.V. Kapur	
Prof. Ashok Misra	
Prof. Dipak C. Jain	
Dr. R.A. Mashelkar	
Adil Zainulbhai	
Raminder Singh Gujral	

Profit and Loss Statement

for the year ended 31st March, 2016

(₹ in crore)

	Note	2015-16	2014-15
INCOME			
Revenue from Operations			
Sale of Products		2,86,576	3,79,992
Income from Services		9,515	8,502
		2,96,091	3,88,494
Less: Excise Duty / Service Tax Recovered		19,547	13,059
Net Revenue from Operations		2,76,544	3,75,435
Other Income	21	8,246	8,613
Total Revenue		2,84,790	3,84,048
EXPENDITURE			
Cost of Materials Consumed		1,58,186	2,66,862
Purchases of Stock-in-Trade		28,297	25,701
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	22	2,571	1,483
Employee Benefits Expense	23	7,724	6,262
Finance Costs	24	3,608	3,316
Depreciation / Amortisation and Depletion Expense	25	12,916	11,547
Other Expenses	26	35,509	37,763
Total Expenses		2,48,811	3,52,934
Profit Before Tax		35,979	31,114
Tax Expenses			
Current Tax		8,073	6,296
Deferred Tax		191	1,178
Profit for the year (before adjustment for Minority Interest)		27,715	23,640
Add: Share of (Profit) transferred to Minority Interest		(85)	(74)
Profit for the year (after adjustment for Minority Interest)		27,630	23,566
Earnings per equity share of face value of ₹ 10 each			
Basic and Diluted (in ₹)	27	93.78	80.11
Significant Accounting Policies			
See accompanying Notes to the Financial Statements			
	1 to 37		

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Cash Flow Statement

for the year 2015-16

(₹ in crore)

	2015-16	2014-15
A: CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax as per Profit and Loss Statement	35,979	31,114
Adjusted for:		
Miscellaneous Expenditure written off	1	38
Share in Income of Associates	(211)	(118)
Loss on Sale / Discard of Assets (Net)	57	68
Depreciation / Amortisation and Depletion Expense	12,916	11,547
Effect of Exchange Rate Change	(3,579)	1,372
Profit on De-subsidiarisation of Subsidiary	(43)	(8)
Net gain on Sale of Investments	(3,260)	(3,516)
Exceptional Item	(423)	-
Dividend Income	(734)	(306)
Interest Income	(3,026)	(4,513)
Finance Costs	3,608	3,316
	5,306	7,880
Operating Profit before Working Capital Changes	41,285	38,994
Adjusted for:		
Trade and Other Receivables	(7,147)	1,097
Inventories	6,284	3,472
Trade and Other Payables	7,991	(2,754)
	7,128	1,815
Cash Generated from Operations	48,413	40,809
Taxes Paid (Net)	(8,602)	(6,435)
Net Cash from Operating Activities	39,811	34,374
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(49,662)	(63,364)
Sale of Fixed Assets	344	402
Purchase of Investments	(7,15,187)	(6,78,241)
Sale / Redemption of Investments	7,21,658	6,66,383
Movement in Loans and Advances	753	(232)
Maturity of Fixed Deposits	66	3,551
Interest Income	2,956	6,055
Dividend Income from Associates	10	5
Dividend Income from Others	724	543
Net Cash (Used in) Investing Activities	(38,338)	(64,898)

Cash Flow Statement (Continued)

for the year 2015-16

(₹ in crore)

	2015-16	2014-15
C: CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	284	226
Proceeds from Issue of Share Capital to Minority	51	117
Redemption of Preference Share Capital of Minority	(2)	(1)
Share Application Money	8	17
Proceeds from Long Term Borrowings	35,059	29,413
Repayment of Long Term Borrowings	(17,689)	(5,465)
Short Term Borrowings (Net)	(4,025)	(6,444)
Dividends Paid (including Dividend Distribution Tax)	(7,259)	(3,268)
Interest Paid	(9,115)	(6,149)
Miscellaneous Expenditure / Issue Expenses	(71)	(2)
Net Cash (Used in) / generated from Financing Activities	(2,759)	8,444
Net (Decrease) in Cash and Cash Equivalents	(1,286)	(22,080)
Opening Balance of Cash and Cash Equivalents	12,472	34,360
Add: Upon addition of Subsidiaries	4	192
	12,476	34,552
Closing Balance of Cash and Cash Equivalents* (Refer Note No. 18)	11,190	12,472

* Include towards Unclaimed Dividend of ₹ 223 crore (Previous year ₹ 199 crore)

As per our Report of even date

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Significant Accounting Policies

on Consolidated Accounts

A. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

B. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to Reliance Industries Limited ('the Company') and its subsidiary companies, associates and joint ventures. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"
- b) Interest in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard (AS) 27 - "Financial Reporting of Interest in Joint Ventures".
- c) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Exchange Fluctuation Reserve.
- d) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.
- e) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated Profit and Loss Statement being the profit or loss on disposal of investment in subsidiary.
- f) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- g) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- h) Investment in Associate Companies has been accounted under the equity method as per Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements".
- i) The Company accounts for its share of post acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Profit and Loss Statement, to the extent such change is attributable to the associates' Profit and Loss Statement and through its reserves for the balance based on available information.
- j) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- k) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

C. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

D. Other significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

Notes

on Consolidated Financial Statements for the year ended 31st March, 2016

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

(₹ in crore)

	As at 31st March, 2016	As at 31st March, 2015
1. SHARE CAPITAL		
Authorised Share Capital:		
500,00,00,000 Equity Shares of ₹ 10 each (500,00,00,000)	5,000	5,000
100,00,00,000 Preference Shares of ₹ 10 each (100,00,00,000)	1,000	1,000
	6,000	6,000
Issued, Subscribed and Paid up:		
294,80,21,694 Equity Shares of ₹ 10 each fully paid up (294,33,34,138)	2,948	2,943
Less: Calls in arrears - by others [₹ 2,303 (Previous Year ₹ 3,113)]	-	-
	2,948	2,943
Total	2,948	2,943

1.1 45,04,27,345 Shares were allotted on conversion / surrender of Debentures and Bonds, conversion of Term Loans, (45,04,27,345) exercise of Warrants, against Global Depository Shares (GDS) and re-issue of Forfeited Equity Shares, since inception.

1.2 4,62,46,280 Shares were bought back and extinguished in the last five years. (4,62,46,280)

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

Particulars	As at 31st March, 2016	As at 31st March, 2015
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	294,33,34,138	293,95,47,231
Add : Shares issued on exercise of Employee Stock Options	46,87,556	37,86,907
Equity Shares at the end of the year	294,80,21,694	294,33,34,138

1.4 The Company has reserved issuance of 12,20,30,651 (Previous year 12,67,18,207) Equity Shares of ₹ 10 each for offering to Eligible Employees of the Company and its subsidiaries under Employees Stock Option Scheme (ESOS). During the year the Company has granted 14,967 options at a price of ₹ 887 per option, plus all applicable taxes, as may be levied in this regard on the Company (Previous year 45,419 options which includes 21,367 options at a price of ₹ 936 per option, 13,052 options at a price of ₹ 961 per option and 11,000 options at a price of ₹ 843 per option, plus all applicable taxes, as may be levied in this regard on the Company) to the Eligible Employees. The options would vest over a maximum period of 7 years or such other period as may be decided by the Human Resources, Nomination and Remuneration Committee from the date of grant based on specified criteria.

1.5 Issued, Subscribed and paid up capital excludes 29,23,54,627 (Previous Year 29,23,54,627) equity shares directly held by subsidiaries/trust, before their becoming subsidiaries of the Company, which have been eliminated.

1.6 Share Application Money Pending Allotment represents application money received on account of Employees Stock Option Scheme.

Notes

on Consolidated Financial Statements for the year ended 31st March, 2016

(₹ in crore)

	As at 31st March, 2016	As at 31st March, 2015
2. RESERVES AND SURPLUS		
Capital Reserve		
As per last Balance Sheet	166	207
Add: On Consolidation of Subsidiaries (Net)	-	45
Add: Transfer to Goodwill on Consolidation*	878	-
	1,044	252
Less: Transferred to Profit and Loss Account	753	86
	291	166
Exchange Fluctuation Reserve		
As per last Balance Sheet	1,834	1,803
Add : During the year	4	31
	1,838	1,834
Capital Redemption Reserve		
As per last Balance Sheet	95	94
Add : Transferred from Profit and Loss Account on redemption of Shares	1	1
	96	95
Securities Premium Reserve		
As per last Balance Sheet	42,681	42,431
Add : On issue of shares	312	250
	42,993	42,681
Less : Calls in arrears - by others [₹ 1,03,189 (Previous Year ₹ 1,93,288)]	-	-
	42,993	42,681
Debentures Redemption Reserve		
As per last Balance Sheet	1,122	1,117
Add: Transferred from Profit and Loss Account	3	5
	1,125	1,122
Statutory Reserve		
As per last Balance Sheet	147	100
Add : Transferred from Profit and Loss Account	35	47
	182	147
Revaluation Reserve		
As per last Balance Sheet	827	848
Add: On Revaluation	10	-
	837	848
Less: Transferred to Profit and Loss Account (Refer Note No. 11.7)	-	28
Add: Transferred from / (to) Minority Interest	(2)	7
	835	827
General Reserve		
As per last Balance Sheet	1,53,214	1,35,214
Add: Transferred from Profit and Loss Account	22,000	18,000
	1,75,214	1,53,214
Share in Reserves of Associates		
Revaluation Reserve		
As per last Balance Sheet	10	10

Notes

on Consolidated Financial Statements for the year ended 31st March, 2016

(₹ in crore)

	As at 31st March, 2016	As at 31st March, 2015
Profit and Loss Account		
As per last Balance Sheet	15,443	13,906
Reclassification of Profit and Loss Account of subsidiary	28	-
(Short) Provision of Tax for earlier years (Net) (Previous Year ₹ 49,19,979)	(1)	-
Excess /(Short) Provision of Tax for earlier years (Net) - Minority Interest	(1)	-
Add: Transfer from Capital Reserve Account	753	-
Add: Profit for the year	27,630	23,566
	43,852	37,472
Less: Appropriations		
Adjustment relating to Fixed Assets (Refer Note No. 11.9)	-	377
Adjustment on Amalgamation / Disposal of Subsidiary	2	40
Transferred to Statutory Reserve	35	47
Transferred to General Reserve	22,000	18,000
Transferred to Capital Redemption Reserve	1	1
Transferred to Debenture Redemption Reserve	3	5
Proposed Dividend on Equity Shares	-	2,944
[Dividend per Share ₹ Nil ; (Previous year ₹ 10/-)]		
Interim Dividend on Equity Shares	3,095	-
[Dividend per Share ₹ 10.50; (Previous year ₹ Nil)]		
Tax on Dividend**	605	615
	18,111	15,443
Total	2,40,695	2,15,539

* As a result of Capital reserve on consolidation (₹ 878) crore being negative, it has been reclassified to Goodwill on Consolidation.

** Tax on Dividend is net of reversal of excess provision of ₹ 17 crore pertaining to Previous Year.

2.1 The Debenture Redemption Reserve has not been created for a cumulative amount of ₹ 1,023 crore in terms of Section 71(4) of the Companies Act, 2013 (Previous Year ₹ 466 crore). Debenture Redemption Reserve has not been created in respect of the following subsidiary companies in view of inadequate profit / loss for the year:

1. Reliance Jio Infocomm Limited
2. Reliance Prolific Traders Private Limited
3. Reliance Universal Traders Private Limited
4. Reliance Ambit Trade Private Limited
5. Reliance Prolific Commercial Private Limited
6. Reliance Payment Solutions Limited
7. Reliance Progressive Traders Private Limited
8. Reliance Eminent Trading & Commercial Private Limited
9. Reliance Vantage Retail Limited
10. Reliance Aromatics and Petrochemicals Limited
11. Reliance Energy Generation and Distribution Limited
12. Reliance Energy and Project Development Limited
13. Reliance Corporate IT Park Limited
14. Indiawin Sports Private Limited
15. Reliance Industrial Investments and Holdings Limited
16. Reliance Commercial Land & Infrastructure Limited

The above Companies shall create the Debenture Redemption Reserve out of profits, if any, in future years.