Financial Statement

2018-19

Reliance Commodities Limited

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RELIANCE COMMODITIES LIMITED

Opinion

We have audited the accompanying Ind AS financial statements of **Reliance Commodities Limited**("the Company"),which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows 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 "the Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019; and its loss and total Comprehensive Income, Change in Equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the "Director's Report" including Annexures to Director's Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, change in equity and cash flows of the company in accordance with the 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 provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss(Including Other Comprehensive Income),the Cash Flow Statement and the statement of change in equity dealt with by this report are in agreement with the books of account.

d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors as on 31st March, 2019taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019, 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 with reference to financial statements 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 the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 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 no pending litigations on its Ind AS financial statements as on March 31, 2019;

   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 for the year ended March 31, 2019.

   iv. During the year the disclosure related to Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8th November, 2016 of the Ministry of Finance is not applicable to the Company.

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

Mukesh Mehta
Partner
Membership No.: 043495
Mumbai
Date: April 30th, 2019.

Annexure A TO THE INDEPENDENT AUDITORS' REPORT ON THE IND AS FINANCIAL STATEMENTS OF RELIANCE COMMODITIES LIMITED

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirement' section of our Report of even date)

1) In respect of its fixed assets:

   a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information except for in some assets where Company is in the process of tagging the assets.

   b) As explained to us, all the fixed assets of the Company have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

   c) The Company do not have any immovable properties and hence clause (i) (c) of paragraph 3 of the Order is not applicable to the company.

2) In our opinion the inventories (securities) have been verified with the Demat holding statements during the year by the Management at reasonable intervals and as explained to us no material discrepancies were noticed on physical verification.

3) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to any companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, the provisions of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order are not applicable to the Company.

4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities. The Company has not granted any loans to any director or any person in whom director is interested as specified under Section 185 of the Companies Act, 2013 and hence clause (iv) of paragraph of the Order is not applicable to the Company to that extent.

5) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the Order is not applicable to the Company.

6) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act. Hence, the provisions of Clause (vi) of paragraph 3 of the Order is not applicable to the Company.

7) In respect of Statutory dues:

   a) According to the records of the Company, undisputed statutory dues including Provident Fund, Income Tax (tax deducted at source), Goods and Service Tax (GST), Cess and other material statutory dues have generally 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, 2019for a period of more than six months from the date of becoming payable.

b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Goods and Service Tax (GST), Customs Duty, Excise Duty, Value Added Tax, on account of any dispute, which have not been deposited.

8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company does not have any borrowings from financial institutions and government and the Company did not have any outstanding debentures during the year.

9) 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.

10) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit, nor have we been informed of any such case by the management.

11) In our opinion and according to the information and explanations given to us, the company has neither provided nor paid any managerial remuneration and hence clause (xi) of paragraph 3 of the Order is not applicable to the company.

12) 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.

13) In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

14) 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.

15) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company.

16) In our opinion and according to information and explanations provided to us, 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

Mukesh Mehta
Partner
Membership No.: 043495
Mumbai
Date: April 30th, 2019.

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT ON THE IND AS FINANCIAL STATEMENTS OF RELIANCE COMMODITIES 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 under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the Internal Financial Control with reference to financial statements of **Reliance Commodities Limited** (“the company”) as of 31st March, 2019in conjunction with our audit of the Ind AS financial statements of the Company for the year then ended.

Management Responsibility for the Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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. 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 Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgment, including the assessment of the risks of material misstatement of the Ind AS 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements 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 the Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

Mukesh Mehta
Partner
Membership No.: 043495
Mumbai
Date: April 30th, 2019

Reliance Commodities Limited
Balance Sheet as at March 31, 2019 (₹ in thousands)

Particulars		Note No.	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
ASSETS					
Financial Assets					
(a)	Cash and cash equivalents	3	1,11,724	8,038	82,122
(b)	Bank balance other than cash and cash equivalents above	4	3,19,150	3,09,700	2,57,900
(c)	Receivables				
	(i) Trade receivables	5	3,034	3,539	2,998
	(ii) Other receivables		-	-	-
(d)	Investments	6	20	20	20
(e)	Other Financial assets	7	20,067	23,417	54,227
Non-financial Assets					
(a)	Inventories	8	21,363	65,616	-
(b)	Current tax assets (net)	9	5,220	6,241	1,644
(c)	Deferred tax Assets (net)	10	16,786	14,955	17,015
(d)	Property, Plant and Equipment	11	433	623	1,072
(e)	Other Intangible assets	12	1,580	1,778	1,454
(f)	Other non-financial assets	13	13,830	9,165	6,375
Total Assets			**5,13,207**	**4,43,092**	**4,24,827**
LIABILITIES AND EQUITY					
LIABILITIES					
Financial Liabilities					
(a)	Payables				
	(I) Trade payables	14			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		3,77,816	2,45,197	2,98,731
	(II) Other payables				
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(b)	Borrowings	15	18,784	70,170	-
(c)	Other financial liabilities	16	1,506	1,516	1,505
Non-Financial Liabilities					
(a)	Provisions	17	651	370	2,278
(c)	Other non-financial liabilities	18	13,080	15,207	16,176
EQUITY					
(a)	Equity Share capital	19	30,000	30,000	30,000
(b)	Other Equity	20	71,370	80,632	76,137
Total Liabilities and Equity			**5,13,207**	**4,43,092**	**4,24,827**
Significant accounting policies and notes to the financial statements		1 to 41			

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

For Pathak H. D. & Associates
Chartered Accountants
Firm registration No. 107783W

For and on behalf of the Board of Directors

Mukesh Mehta
Partner
Membership No.: 043495

B. Gop Kumar
Director
DIN: 07223999

Manish Dhanuka
Director
DIN: 03272845

Place : Mumbai
Date : April 30, 2019

Reliance Commodities Limited
Statement of profit and loss for the year ended March 31, 2019

(₹ in thousands)

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
A	**Revenue from operations**			
	Interest Income	21	3,472	20,915
	Fees and commission income	22	-	1,09,578
	Net gain on fair value changes	23	1,761	4,196
	Total Revenue from operations		5,233	1,34,689
B	**Other Income**	24	367	604
C	**Total Income (A + B)**		**5,600**	**1,35,293**
	Expenses			
	Finance costs	25	8,438	2,229
	Fees and commission expense		-	15,832
	Employee benefits expenses	26	-	36,817
	Depreciation, amortization and impairment	11 & 12	-	1,087
	Others expenses	27	400	73,066
D	**Total Expenses**		**8,838**	**1,29,031**
(I)	Profit / (loss) before exceptional items and tax (C-D)		(3,238)	6,262
(II)	Exceptional items		-	-
(III)	Profit/(loss) before tax (I -II)		(3,238)	6,262
	Profit/ (loss) for the year from continuing operations before tax		(3,238)	6,262
(IV)	Tax Expense:			
	(1) Current Tax		-	400
	(2) Deferred Tax		14	2,027
	(3) Taxes of earlier years		547	(565)
(V)	**Total tax expense/(credit)**		**561**	**1,862**
	Profit/ (loss) for the year from continuing operation after tax		**(3,799)**	**4,400**
	Profit/ (loss) for the year from discontinuing operation before tax	33	**(7,097)**	**-**
	Tax expense from discontinuing operations			
	- Current tax			
	- Deferred tax		(1,845)	-
	Profit/ (loss) for the year from discontinuing operation after tax		**(5,252)**	**-**
	Profit/(loss) for the year after tax		**(9,051)**	**4,400**
(VI)	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurement of post retirement benefit obligation (loss)/gains		(284)	128
	Tax benefit/(loss) relating to this item		74	(33)
	Other Comprehensive Income		**(211)**	**95**
(VII)	**Total Comprehensive Income for the year**		**(9,261)**	**4,495**
	Earnings per equity share (amount in ₹)	31		
	Basic & Diluted			
	Continuing Operations		(1.27)	1.47
	Discontinuing Operations		(1.75)	-
	Continuing & Discontinuing Operations		(3.02)	1.47

Significant accounting policies and
notes to the financial statements 1 to 41

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

For Pathak H. D. & Associates
Chartered Accountants
Firm registration No. 107783W

For and on behalf of the Board of Directors

Mukesh Mehta
Partner
Membership No.: 043495

B. Gop Kumar
Director
DIN: 07223999

Manish Dhanuka
Director
DIN: 03272845

Place : Mumbai
Date : April 30, 2019

Reliance Commodities Limited
Financial statements as at March 31, 2019

(₹ in thousands)

Statement of change in equity

Equity Shares	No. of shares	Amount
Balance as at April 1, 2017	**30,00,000**	**30,000**
Changes in equity share capital	-	-
Balance As at March 31, 2018	**30,00,000**	**30,000**
Balance as at April 1, 2018	**30,00,000**	**30,000**
Changes in equity share capital	-	-
Balance As at March 31, 2019	**30,00,000**	**30,000**

Other equity

Particulars	Reserves and Surplus		Total
	Retained earnings	Other comprehensive income	
Balance as at April 1, 2017	**76,137**	-	**76,137**
Profit/loss for the year	4,400	-	**4,400**
Other comprehensive income for the year	-	95	**95**
Total comprehensive income for the year	**4,400**	**95**	**4,495**
	80,537	**95**	**80,632**
Balance As at March 31, 2018	**80,537**	**95**	**80,632**
Balance as at April 1, 2018	**80,537**	**95**	**80,632**
Profit/loss for the year	(9,051)	-	**(9,051)**
Other comprehensive income for the year	-	(211)	**(211)**
Total comprehensive income for the year	**(9,051)**	**(211)**	**(9,262)**
Balance As at March 31, 2019	**71,486**	**(116)**	**71,370**

As per our attached report of even date

For Pathak H. D. & Associates
Chartered Accountants
Firm registration No. 107783W

For and on behalf of the Board of Directors

Mukesh Mehta
Partner
Membership No.: 043495

B. Gop Kumar
Director
DIN: 07223999

Manish Dhanuka
Director
DIN: 03272845

Place : Mumbai
Date : April 30, 2019

Reliance Commodities Limited

Statement of cash flow for year ended march 31, 2019 (₹ in thousand)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash flows from operating activities		
Profit/ (loss) for the year from continuing operations before tax	**(3,238)**	**6,262**
Profit/ (loss) for the year from discontinuing operation before tax	**(7,097)**	**-**
Adjustments for :		
(Profit)/Loss on sale of investments (net)	(135)	(497)
Excess provision/ credit balance written back	(181)	(47)
Provision for doubtful debts/advances (net)	402	2,407
Bad debts written off	-	3
Depreciation & amortisation expenses	388	1,087
Interest on income tax refund	(232)	-
Finance cost	8,438	2,229
Operating profit before working capital changes	**(1,655)**	**11,444**
Changes in current operating assets		
(Increase)/Decrease in bank balances not considered as cash and cash equivalents	(9,451)	(51,800)
(Increase)/Decrease in trade receivables	104	(2,951)
(Increase)/Decrease in inventories	44,253	(65,616)
(Increase)/ Decrease in other financial assets	3,350	30,810
(Increase)/ Decrease in other non-financial assets	(4,665)	(2,790)
Changes in current operating liabilities		
Increase/ (Decrease) in trade payables	1,32,619	(53,534)
Increase/ (Decrease) in provision	70	(1,813)
Increase/ (Decrease) in other financial liabilities	(10)	11
Increase/ (Decrease) in Other non-financial liabilities	(1,946)	(921)
Cash flows from / (used in) operating activities	**1,62,669**	**(1,37,160)**
Payment of taxes (net of refunds)	706	(4,399)
Net cash flows from / (used in) operating activities (A)	**1,63,375**	**(1,41,559)**
B. Cash flows from investing activities		
Purchase of property plant and equipement & intangible assets	-	(962)
Purchase of investments	(21,500)	(4,500)
Sale of investments	21,635	4,997
Net Cash flows from / (used in) from Investment activities (B)	**135**	**(465)**
C. Cash flows from financing activities		
(Repayment to) / Borrowing from financial institutions and others (net)	(30,000)	30,000
Interest paid	(8,438)	(2,229)
Net cash flows from / (used in) financing activities (C)	**(38,438)**	**27,771**
Net increase / (decrease) in cash or cash equivalents (A+B+C)	**1,25,072**	**(1,14,254)**
Opening balance of cash and cash equivalents	(32,132)	82,122
Closing balance of cash and cash equivalents	**92,940**	**(32,132)**
Cash and cash equivalents comprise		
Cash in hand	**-**	**-**
Bank overdraft	(18,784)	(40,170)
Balance with scheduled banks		
-in current accounts	1,11,724	8,038
Total cash and cash equivalents	**92,940**	**(32,132)**

Reliance Commodities Limited
Statement of cash flow for year ended march 31, 2019 (₹ in thousand)

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash and cash equivalents	1,11,724	8,038	82,122
Liquid investments	-	-	-
Debt securities	-	-	-
Borrowings - bank overdraft	(18,784)	(40,170)	-
Borrowings - inter corporate deposit	-	(30,000)	-
Net debt	**92,940**	**(62,132)**	**82,122**

Particulars	Cash and bank overdraft	Borrowings	Total
Net debt as at April 1, 2017	**82,122**	**-**	**82,122**
Cash flows	(1,14,254)	(30,000)	(1,44,254)
Interest expense	1,880	349	2,229
Interest paid	(1,880)	(349)	(2,229)
Net debt as at March 31, 2018	**(32,132)**	**(30,000)**	**(62,132)**
Cash flows	1,25,070	30,000	1,55,070
Interest expense	1,595	6,843	8,438
Interest paid	(1,595)	(6,843)	(8,438)
Net debt as at March 31, 2019	**92,940**	**-**	**92,940**

Notes :

1 The above Statement of Cash Flows has been prepared under the Indirect method as set out in IND AS - 7 on Statement of Cash Flows notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015], as amended.

2 Figures in brackets indicate cash outflow.

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

For Pathak H. D. & Associates
Chartered Accountants
Firm registration No. 107783W

For and on behalf of the Board of Directors

Mukesh Mehta
Partner
Membership No.: 043495

B. Gop Kumar
Director
DIN: 07223999

Manish Dhanuka
Director
DIN: 03272845

Place : Mumbai
Date : April 30, 2019

Reliance Commodities Limited

Financial statements as at March 31, 2019
Summary of significant accounting policies

NOTES

1 Corporate Information

Reliance Commodities Limited is a public limited company incorporated under the provisions of the Companies Act applicable in India on 8 July 2005 . The registered office of the Company is located at 'Reliance Centre, 4th Floor, North Wing, Off Western Express Highway, Santacruz East, Mumbai, Maharashtra - 400055'. The Company is licensed by Securities and Exchange Board of India to operate as commodity broker.

2 Significant Accounting Policies

2.01 Basis of preparation of financial statements

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act') [Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act, to the extent notified and applicable as well as applicable guidance note and pronouncements of the Institute of Chartered Accountants of India (ICAI).

These financial statements are the first financial statements of the company under Ind AS. Refer note 40 for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

(ii) Historical Cost Convention

The Financial statements have been prepared on a historical cost basis, except for the following:
• Certain financial assets and liabilities (including derivatives instruments) are measured at fair value.
• Assets held for sale – measured at fair value less cost to sell;
• Defined benefit plans – plan assets measured at fair value.

(iii) Current - non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out under Ind AS and in Schedule III to the Act. Based on the nature of the services and their realisation in cash & cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

2.02 Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.

(b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

2.03 Financial assets

(i) Classification and subsequent measurement
The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:
- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost

The classification requirements for debt and equity instruments are described below:

Debt instruments
Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables.

Classification and subsequent measurement of debt instruments depend on:
(i) the Company's business model for managing the asset; and
(ii) the cash flow characteristics of the asset.
Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured as described in **note 39.** Interest income from these financial assets is recognized using the effective interest rate method.

Fair value through other comprehensive income: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Fair value option for financial assets: The company may also irrevocably designate financial assets at fair value through profit or loss if doing so significantly reduces or eliminates an accounting mismatch created by assets and liabilities being measured on different bases.

Business model: The business model reflects how the company manages the assets in order to generate cash flows. That is, whether the company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the company in determining the business model for a company of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.
SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Interest income
Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

a) Purchased financial assets, for which the original credit-adjusted effective interest rate is applied to the amortized cost of the financial asset.

b) Financial assets, that are subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortized cost (i.e. net of the expected credit loss provision).

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortized cost before any impairment allowance) or to the amortized cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

Equity instruments
Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Company subsequently measures all equity investments at fair value.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in net gain/loss on fair value changes in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Gains and losses on equity investments at FVPL are included in the statement of profit or loss.

(ii) Impairment
The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortized cost and FVOCI. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

• An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
• The time value of money; and
• Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in **note 39**, which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL detailed information about the judgements and estimates made by the company in the above areas is set out in note 39.

(iii) Derecognition of financial instruments
'Financial assets, or a portion thereof, are derecognized when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the company transfers substantially all the risks and rewards of ownership, or (ii) the company neither transfers nor retains substantially all the risks and rewards of ownership and the company has not retained control. The company directly reduces the gross carrying amount of a financial asset when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

2.04 Financial Liabilities

(i) Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortized cost, except for:

• Financial liabilities at fair value through profit or loss: this classification is applied to derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss; and

• Financial liabilities arising from the transfer of financial assets which did not qualify for de-recognition, whereby a financial liability is recognized for the consideration received for the transfer. In subsequent periods, the Company recognizes any expense incurred on the financial liability.

(ii) Derecognition

Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires.

The exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability.

2.05 Derivatives and hedging activities

Derivatives are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The method of recognizing the resulting fair value gain or loss depends on whether the derivative is designated and qualifies as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives that are not designated as hedges

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

2.06 Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

• Identification of contract(s) with customers;
• Identification of the separate performance obligations in the contract;
• Determination of transaction price;
• Allocation of transaction price to the separate performance obligations; and
• Recognition of revenue when (or as) each performance obligation is satisfied.

(i) Brokerage fee income

Revenue recognition for brokerage fees can be divided into the following two categories:

a) Brokerage fees – over time - Fees earned for the provision of services are recognized over time as the customer simultaneously receives ar consumes the benefits, as the services are rendered. These include brokerage fees which is fixed at inception irrespective of number of transaction executed. The revenue for such contracts is recognized over the term of the contract.

b) Brokerage fees – point in time - Revenue from contract with customer is recognized point in time as performance obligation is satisfied. Thes include brokerage fees which is charged per transaction executed.

(ii) Interest income

Interest income is recognized using the effective interest rate **(refer note 2.03)**

(ii) Dividend income

Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

(iii) Delay payment interest

Delay payment interest is recognised on an accrual basis.

(v) Income from trading in derivatives

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into, and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in the statement of profit and loss immediately. Other payments made in connection with the acquisition of derivatives are recognized in the statement of profit and loss.

2.07 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.08 Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.09 Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.10 Cash and cash equivalents

Cash and cash equivalents includes cash at banks and on hand, cheques on hand, short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.11 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives & residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

The estimated useful lives for the different types of assets are:

Assets	**Useful Life**
Office Equipments	5 years
Furniture and Fixtures	10 years
Data Processing Equipments	
(i) Servers and networks	6 years
(ii) End user devices (desktops, laptops, etc.)	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit or loss.

Assets costing up to Rs. 5,000 are fully depreciated at the time of acquisition.

2.12 Intangible Assets

Intangible assets are recognized where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment, if any.

Expenditure incurred on acquisition/development of intangible assets which are not put/ready to use at the reporting date is disclosed under intangible assets under development. The Company amortizes intangible assets on a straight-line basis over the useful lives of the assets commencing from the month in which the asset is first put to use. The Company provides pro-rata depreciation from the day the asset is put to use.

The estimated useful lives for the below assets are:

Assets	Useful Life
Software	6 Years

Assets costing up to Rs. 5,000 are fully depreciated at the time of acquisition.

Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of its intangible assets recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

2.13 Off-setting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.14 Inventories

Financial instruments held as inventory are measured at fair value through profit or loss.

2.15 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

2.16 Provisions, Contingent liabilities and contingent assets

Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Contingent liabilities

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events. Contingent liability is not recognised as it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with reliablity. Contingent Liabilities are not recognised but are disclosed in the financial statements.

Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. A contingent asset is not recognised however disclosed in the financial statements, if any.

2.17 Employee benefits

(i) Short-term obligations:
Liabilities for salaries, including other monetary and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) Gratuity; and

(b) Provident fund.

Defined Benefits plans

Gratuity Obligations

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in other equity in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined contribution plans

Provident fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Other long term employee benefit obligation:

Leave encashment
The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the statement of profit or loss.

2.18 Earnings per share

(a) Basic earnings per share
Earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial Year, adjusted for bonus element in equity shares issued during the Year (Note 31)

(b) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.19 Non Current Assets held for Sale

Assets classified held for sale if it is higly proabable that they will be recovered primarily through sale rather than through continue use. Such assets are measured at lower of their carrying amount and the fair value less cost of sell. Lossess on intitial classification as held for sale and subsequent gain and lossess on re-measurement are recognised in statement of profit and loss.

Once classfied assets held for sale, property plant & equipement are no longer depreciated.

2.20 Foreign currency translations

Initial recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Subsequent recognition

As at the reporting date, foreign currency monetary items are translated using the closing rate and non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction.

Exchange gains and losses arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the year or in previous financial statements are recognised in profit or loss in the year in which they arise.

2.21 Functional and presentation currency

The financial statements are presented in Indian Rupees and all amounts disclosed in the financial statements and notes have been rounded off upto to the nearest Thousands & zero decimals (as per the requirement of Schedule III) unless otherwise stated.

2.22 Critical accounting estimates and judgements

The preparation of consolidated financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit or loss. The actual amounts realised may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about significant areas of estimation/uncertainty and judgements in applying accounting policies that have the most significant effect on the consolidated financial statements are as follows:

a) Recognition of deferred tax -Note 10
b) Estimation of defined benefit obligation-Note 34
c) Measurement of fair values and Expected Credit Loss (ECL)-Note 39

(₹ in thousands)

Note 3 - Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash and Cash equivalents			
Balance with banks in current accounts	1,11,724	8,038	82,122
Total	**1,11,724**	**8,038**	**82,122**

Note 4 - Bank Balance other than above

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fixed deposit accounts			
- Held as lien (refer note 'a')	2,48,650	1,84,500	1,77,400
- Held as margin money (refer note 'b')	20,000	74,700	30,000
- Held as overdraft (refer note 'c')	50,000	50,000	50,000
- others	500	500	500
Total	**3,19,150**	**3,09,700**	**2,57,900**

In respect of balances with Banks in Fixed Deposit accounts above includes:

(a) Rs. 2,48,650 Thousands (March 31, 2018 - Rs.1,84,500 Thousands and April 1, 2017 - Rs. 1,77,400 Thousands) kept as deposit with bank for issuing of Bank Guarantee.

(b) Rs. 20,000 Thousands (March 31, 2018 - Rs.59,700 Thousands and April 1, 2017 - Rs. 30,000 Thousands) as collateral security deposit in favour of National Commodity and Derivatives Exchange/ Multi Commodity Exchange placed as margin.

(c) Rs. 50,000 Thousands (March 31, 2018 & April 01, 2017 - Rs.50,000 Thousands) securtised against overdraft facility.

Note 5 - Trade Receivables

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(b) Unsecured considered good; and	3,034	3,539	2,998
Less : Allowance for Doubtful Debts	-	-	-
(c) Doubtful.	2,113	1,710	-
Less : Allowance for Doubtful Debts	(2,113)	(1,710)	-
Total	**3,034**	**3,539**	**2,998**

Reconciliation of impairment allowance on trade and other receivables:

Impairment allowance measured as per general approach	**Amount**
Impairment allowance as at April 1, 2017	-
Add/(less): changes during the year	1,710
Impairment allowance as at March 31, 2018	1,710
Add/(less): changes during the year	403
Impairment allowance as at March 31, 2019	**2,113**

Reliance Commodities Limited
Financial statements for the year ended March 31, 2019

(₹ in thousands)

Note 6 - Investments

Particulars	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 01, 2017**
At amortise cost			
- Unquoted			
Investment in Government securiteis - National saving certificates VIII series	20	20	20
- (Less): Impairment loss allowance	-	-	-
Total (A) - Net	**20**	**20**	**20**
Investments outside India	-	-	-
Investments in India	**20**	**20**	**20**
- (Less): Impairment loss allowance	-	-	-
Total (B) - Net	**20**	**20**	**20**

i) Market value of investments in unquoted National saving certificates represent surrender value to the government.

Note 7 - Other Financial Assets

Particulars	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 01, 2017**
Deposits with exchanges	10,347	11,603	42,543
Interest accrued on fixed deposit	9,720	11,814	11,684
Total	**20,067**	**23,417**	**54,227**

Reliance Commodities Limited
Financial statements as at March 31, 2019

(₹ in thousands)

Note 8 - Inventories

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Quantity	Face value	Amount	Quantity	Face value	Amount	Quantity	Face value	Amount
Non-convertible debentures / bonds (quoted)									
RCAP B-339	40	1,00,000	6,129	-	-	-	-	-	-
RCAP B-341 A	25	1,00,000	4,241	-	-	-	-	-	-
10.45% GSPC	100	1,00,000	10,993				-	-	-
REL NFTY 50 18042019	-	-	-	40	1,00,000	5,629	-	-	-
REL NFTY 50 31072019	-	-	-	25	1,00,000	3,987	-	-	-
RCL STKEQ 160718	-	-	-	320	1,00,000	31,626	-	-	-
REL NFTY50 02112018	-	-	-	26	1,00,000	2,973	-	-	-
REL CAP CNX 18052018	-	-	-	30	1,00,000	3,666	-	-	-
RELCAP NIFTY 160818	-	-	-	65	1,00,000	6,247	-	-	-
RELCAP CNX NF 020718	-	-	-	25	1,00,000	3,040	-	-	-
REL HOME CNX 020718	-	-	-	5	1,00,000	3,182	-	-	-
REL HOME CNX 300718	-	-	-	9	1,00,000	5,266	-	-	-
Total			**21,363**			**65,616**			**-**
(i) Overseas Investments			-			-			-
(ii) Investments in India			21,363			65,616			-
Total			**21,363**			**65,616**			**-**
Less: Allowance for Impairment loss (C)			-			-			-
Total			**21,363**			**65,616**			**-**

Reliance Commodities Limited
Financial statements for the year ended March 31, 2019

(₹ in thousands)

Note 9 - Current Tax (Net)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance payment of tax and tax deducted at source (Net of Provision 1,093 thousands - March 31, 2019, 900 thousands - March 31, 2018, 4,800 thousands - April 01, 2017)	5,220	6,241	1,644
Total	**5,220**	**6,241**	**1,644**

Note 10 - Deferred tax Assets/(Liabilities) (Net)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Brought forward losses	10,154	7,835	10,048
Provision for leave encashment	-	53	60
Provision for gratuity	169	50	644
Provision for doubtful debts	731	669	-
Provision for expenses	275	984	-
MAT Credit	5,301	5,050	4,800
Derecognition of Advance Brokerage Plan	1,263	1,602	1,874
Profit recognised on revaluation of investments	(797)	(988)	-
Depreciation	(310)	(300)	(411)
Total	**16,786**	**14,955**	**17,015**

(₹ in thousands)

Note 11 - Property, plant and equipment

Particulars	Leasehold Improvements	Office equipments	Total
Year ended March 31, 2018			
Gross block at April 01, 2017	**28**	**1,694**	**1,722**
Additions	14	31	**45**
Disposals	-	(23)	**(23)**
As at March 31, 2018	**42**	**1,702**	**1,744**
Accumulated depreciation at April 01, 2017	**(28)**	**(622)**	**(650)**
Depreciation charge during the period	(14)	(480)	**(494)**
Disposals	-	23	**23**
As at March 31, 2018	**(42)**	**(1,079)**	**(1,121)**
Net carrying amount as at March 31, 2018	**-**	**623**	**623**

Particulars	Office equipments	Data Processing equipements	Total
Year ended March 31, 2019			
Gross block at April 01, 2018	42	**1,702**	**1,744**
Additions	-	-	**-**
Disposals	(42)	(7)	(49)
Transfers	-	-	-
As at March 31, 2019	**-**	**1,695**	**1,695**
Accumulated depreciation at April 01, 2018	**(42)**	**(1,079)**	**(1,121)**
Depreciation charge during the period	-	(190)	**(190)**
Disposals	42	7	**49**
As at March 31, 2019	**-**	**(1,261)**	**(1,261)**
Net carrying amount as at March 31, 2019	**-**	**433**	**433**

Reliance Commodities Limited
Financial statements for the year ended March 31, 2019

(₹ in thousands)

Note 12 - Intangible assets

Particulars	Softwares	Total
Year ended March 31, 2018		
Gross block at April 01, 2017	**7,063**	**7,063**
Additions	918	**918**
Disposals	-	
As at March 31, 2018	**7,981**	**7,981**
Accumulated depreciation at April 01, 2017	**(5,609)**	**(5,609)**
Depreciation charge for the year	(594)	**(594)**
Disposals	-	
As at March 31, 2018	**(6,203)**	**(6,203)**
Net carrying amount as at March 31, 2018	**1,778**	**1,778**

Particulars	Softwares	Total
Year ended March 31, 2019		
Gross block at April 01, 2018	7,981	**7,981**
Additions		
Disposals		
As at March 31, 2019	**7,981**	**7,981**
Accumulated depreciation at April 01, 2018	**(6,203)**	**(6,203)**
Depreciation charge for the year	(198)	**(198)**
Disposals		
As at March 31, 2019	**(6,401)**	**(6,401)**
Net carrying amount as at March 31, 2019	**1,580**	**1,580**

Note 13 - Other Non Financial Assets

(₹ in thousands)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Capital advances	-	-	174
Advance to vendors - considered good	943	1,140	1,220
Goods and service tax input	9,184	6,031	1,132
Receivable from employess	1,037	-	-
Prepaid expenses	2,169	1,638	2,824
Other Receivable			
- Considered good	497	356	1,025
- Considered doubtful	697	697	-
Less: provision for doubtful	(697)	(697)	-
	13,830	**9,165**	**6,375**

Note 14 - Trade Payables

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises -			
- Due to others - Margin money deposits	3,66,287	2,43,012	2,96,849
- Due to related parties	9,063	-	5
- Other payable	2,466	2,185	1,877
Total	**3,77,816**	**2,45,197**	**2,98,731**

The information as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been determined to the extent such parties have been identified on the basis of information received from suppliers regarding their status under the said act as available with the Group and relied upon by the auditors, is as follows:

Particulars	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
Outstanding principal amount and interest due to suppliers registered under MSMED Act and remaining unpaid at the year end:			
- Principal amount	-	-	-
- Interest due thereon	-	-	-
Interest paid other than under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-	-
Interest paid under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-	-
Amount of interest due and payable (where the principal has already been paid but interest has not been paid).	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	-	-	-

Note 15 - Borrowings

Particulars	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
At amortised cost			
Overdraft from banks			
(Secured against fixed deposit receipts of Rs. 5 Crores	18,784	40,170	-
Unsecured -			
Inter Corporate Deposits from related party	-	30,000	-
Total (A)	**18,784**	**70,170**	**-**
Borrowings in India	18,784	70,170	-
Borrowings outside India	-	-	-
Total (B) to tally with (A)	**18,784**	**70,170**	**-**

a) Bank overdraft is secured against fixed deposit. The rate of interest on book overdraft varies from 8% to 9% and are repayable at maturity ranging up to 12 months.

b) Unsecured loan from Reliance Financial Limited of Rs. Nil (March 31, 2018 - 300 thousand & April 01, 2017 - Nil) was carrrying interest rate of of 11.25% p.a and repayable on demand.

Note 16 - Other financial liabilities

Particulars	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 01, 2017**
Deposits received from sub brokers	1,506	1,516	1,505
Total	**1,506**	**1,516**	**1,505**

Note 17 - Provisions

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for gratuity	651	181	2,084
Provision for leave encashment	-	189	194
Total	**651**	**370**	**2,278**

Note 18 - Other non-financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Income received in advance	4,857	5,759	6,063
Provison for expenses	6,059	6,972	8,599
Statutory liabilities	1,840	2,169	1,165
Payable to employees	295	257	312
Other liabilities	29	50	37
Total	**13,080**	**15,207**	**16,176**

Reconciliation of provisions for expenses

	Amount
As at April 1, 2017	8,599
Add: Additions during the year	6,972
Less: Utilised during the year	(8,599)
As at March 31, 2018	6,972
Add: Additions during the year	6,059
Less: Utilised during the year	(6,972)
As at March 31, 2019	**6,059**

Reliance Commodities Limited

Financial statements as at March 31, 2019

(₹ in thousand)

Note 19 - Equtiy Share Capital

Particular	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorised						
Equity Shares of ₹ 10 each	50,00,000	50,000	50,00,000	50,000	50,00,000	50,000
TOTAL	**50,00,000**	**50,000**	**50,00,000**	**50,000**	**50,00,000**	**50,000**
Issued, Subscribed and Paid up						
Equity Shares of ₹ 10 each fully paid up	30,00,000	30,000	30,00,000	30,000	30,00,000	30,000
TOTAL	**30,00,000**	**30,000**	**30,00,000**	**30,000**	**30,00,000**	**30,000**

Note:

1. Terms and Rights attached to shares

- Equity Shares:

The company has only one class of equity share having a par value of ₹ 10/- per share. Each holder of equity share is entitle to one vote per share.

In the event of liquidation of the company, the holder of equity shares will be entitled to receive any of the remaining asset of the company after distribution of all preferential amount.

2. The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2019, March 31, 2018 & April 01, 2017 are set out below:

Particular	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹	No. of shares	Amount in ₹
Equity Shares						
Shares at the beginning	30,00,000	30,000	30,00,000	30,000	30,00,000	30,000
Shares at the end	30,00,000	30,000	30,00,000	30,000	30,00,000	30,000

3. The details of shareholder holding more than 5% and shares held by the holding/ultimate holding company as at March 31, 2019, March 31, 2018 & April 01, 2017 are set out below:

Particular	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of shares	%	No. of shares	%	No. of shares	%
Equity shares						
Reliance Capital Limited (holding company) and its nominees	30,00,000	100%	30,00,000	100%	30,00,000	100%

Reliance Commodities Limited
Financial statements as at March 31, 2019 (₹ in thousands)

Note 20 - Other equity

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Reserves and surplus			
(i) Retained earnings	71,486	80,537	76,137
(ii) Other comprehensive income	(116)	95	-
Total Other equity	**71,370**	**80,632**	**76,137**

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Retained earnings		
Opening Balances	80,537	76,137
Add : Profit/(Loss) for the year	(9,051)	4,400
Closing Balances	**71,486**	**80,537**
(ii) Other comprehensive income		
Opening Balances	95	-
Add: Other comprehensive income for the year	(211)	95
Closing Balances	**(116)**	**95**
Closing Balances (i+ii)	**71,370**	**80,632**

(₹ in thousands)

Note 21 - Interest Income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
On financial assets measured at amortised costs:		
Interest charged to clients	-	90
Interest on deposits with banks	3,472	20,825
Total	**3,472**	**20,915**

Note 22 - Fees and commission & Other operating Income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Brokerage, commission and fees	-	1,09,028
Other operating income	-	550
Total	**-**	**1,09,578**

Note 23 - Net gain on fair value changes

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net gain/ (loss) on financial instruments at fair value through profit or loss		
Profit on trading of shares and securities (net)		
Bonds	1,761	4,196
Total Net gain/(loss) on fair value changes	**1,761**	**4,196**
Fair Value changes:		
Realised	2,248	643
Unrealised	(487)	3,553
Total Net gain/(loss) on fair value changes	**1,761**	**4,196**

Note 24 - Other Income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on Income tax refund	232	-
Profit on sale of mutual fund	135	497
Unclaimed liability written back	-	47
Other Income	-	60
Total	**367**	**604**

Reliance Commodities Limited
Financial statements for the year ended March 31, 2019

(₹ in thousands)

Note 25 - Finance Cost

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
On financial liabilities measured at amortised cost:		
- Inter corporate deposits	6,843	349
- Bank Overdraft	1,595	1,880
Total	**8,438**	**2,229**

Note 26 - Employee Benefits Expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, bonus and allowances	-	34,323
Contribution to provident fund and other funds	-	2,162
Staff welfare expenses	-	332
Total	**-**	**36,817**

Note 27 - Other Expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent expense	-	16,781
Insurance expense	-	1,472
Communication expense	-	2,440
Marketing and advertisement	-	7,208
Legal and professional charges	-	24,722
Repair & maintenance	-	-
Postage and office couriers	-	623
Bad debts written-off	-	3
Travelling and conveyance expenses	-	1,644
Bank charges	-	2,062
Stock exchange expenses	-	12
Printing and stationery	-	128
Payment To Auditors		
- as Statutory audit	400	400
- As Other Audit Fee	-	-
Membership and subscription	-	599
Miscellaneous expenses	-	1,178
Software expenses	-	9,304
Electricity charges	-	2,083
Provision for doubtful debts/advances	-	2,407
Total	**400**	**73,066**

Reliance Commodities Limited

Notes to the financial statement for the year ended March 31, 2019 (₹ in thousand)

28 **Contingent Liabilities**

a. Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 01, 2017**
Other Intangible assets	-	-	8,00,000

Particulars	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 01, 2017**
b. Other Contingent liabilities			
i. Guarantees given by scheduled banks			
- Collateral security deposit in favour of National Commodity and Derivatives Exchange Limited	1,62,500	1,62,500	52,500
- Collateral security deposit in favour of Multi Commodity Exchange of India Limited	3,34,800	2,36,500	2,82,500
ii Claims not acknowledged as debts;			
- Demand raised for various legal matters from respective forum/court	-	39,846	39,846

29 **Operating lease commitments**

The Company have taken office branches under operating leases, which expire between 2018 to 2028 (Previous Year: 2017 to 2028). The committed lease rentals in the future are:

Particulars	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
Not later than one year	-	-	-
Later than one year and not later than five years	-	-	-
Later than five years	-	-	-

Rental expense relating to operating lease:

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Operating lease payments, which are minimum lease payments, recognised in the Statement of Profit and Loss	2,086	7,638

30 **Auditor's Remunerations**

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
As Auditors		
- Audit Fees	400	400
- Tax Audit Fees	-	-
Other Services		
- Certification	-	-
Reimbursement of Expenses	-	-
Total	**400**	**400**

31 **Earnings per share**

a) The basic earnings per share has been calculated based on the following:

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Profit/ (loss) for the year from continuing operations after tax	**(3,799)**	**4,400**
Weighted average number of Equity Shares outstanding during the year (Nos.)	30,00,000	30,00,000
Basic & Diluted EPS of Rs. 10 each (₹)	(1.27)	1.47
Profit/ (loss) for the year from discontinuing operations after tax	**(5,252)**	**-**
Weighted average number of Equity Shares outstanding during the year (Nos.)	30,00,000	30,00,000
Basic & Diluted EPS of Rs. 10 each (₹)	(1.75)	-
Nominal value per equity share	10	10

b) The reconciliation between the basic and the diluted earnings per share is as follows:

Particulars	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Basic earnings per share	(1.75)	-
Diluted earnings per share	(1.75)	-

Notes to the financial statement for the year ended March 31, 2019 (₹ in thousand)

32 Income tax

a) The components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

Particulars	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Current tax	-	400
Deferred tax	(1,831)	2,027
Adjustment in respect of current income tax of prior years	547	(565)
Total	**(1,284)**	**1,862**

b) Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been

Particulars	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Accounting profit before tax	(10,335)	6,262
Tax at India's statutory income tax rate of 26.00 % (previous year 25.75%)	**(2,687)**	**1,742**
Tax effect of the amount which are not taxable in calculating taxable income :		
Non deductible expenses for tax purpose	460	586
Reduction in opening deferred tax asset resulting from reduction in tax rate	648	1,221
Deferred tax assets due to Ind As adjustment	-	(1,122)
Adjustment earlier year taxes	296	(565)
Income tax expense at effective tax rate	**(1,284)**	**1,862**
Effective tax rate	**12.42%**	**29.73%**
Accounting profit after tax	(9,051)	4,400

c) Tax losses

Particulars	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Unused tax losses for which no deferred tax asset has been recognised	-	-
Potential tax benefit at 26.00 % (previous year 27.82%)	-	-

d) Unrecognised temporary differences

Particulars	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Deferred Tax Assets	-	-
Net Deferred Tax Assets*	**-**	**-**

Notes to the financial statement for the year ended March 31, 2019 (₹ in thousand)

33 The Company has entered into Business Transfer Agreement dated August 24, 2018 with the Reliance Securities Limited to sale Commodities broking business including all related assets and properties, employees, investments, contracts, debts and liabilities on slump sales basis.for a consideration of Rs. 25,300 thousand. Exchange approval for the Commodities Broking business acquisition has been received, subject to fulfilment of certain conditions. Reliance Securities Limited is in the process of fulfilling those conditions.

i) The amount of revenue and expenses pertaining to the Discontinuing operation are as follows:

Particulars	For year ended March 31, 2019
Revenue from operations	1,14,827
Other income	181
Total income	**1,15,008**
Expenses	
Fess and commission expenses	26,963
Employee benefit expenses	37,926
Depreciation and amortisation expense	388
Other expenses	56,828
Total expenses	**1,22,105**
Profit/(Loss) before exceptional items and tax	**(7,097)**
Exceptional items	-
Profit/(Loss) before tax	**(7,097)**
Profit/ (Loss) for the year from discontinuing operations before tax	**(7,097)**
Income tax expense	
- Current tax	-
- Deferred tax	(1,845)
Total tax expense/(credit)	**(1,845)**
Profit/(Loss) for the year after tax	**(5,252)**

ii) The amount of assets and liabilities pertaining to the "Discontinuing operation" are as follows:

	Particulars	As at March 31, 2019
	Assets	
	Financial assets	
	Cash and cash equivalents	1,11,724
	Bank balance other than cash and cash equivalents above	2,69,150
	Receivables	
	(i) Trade receivables	3,034
	(ii) Other receivables	-
	Investments	
	Other Financial assets	20,067
	Total current assets	**4,03,975**
	Non financial assets	
	Property, Plant and Equipment	433
	Other Intangible assets	1,580
	Other non-financial assets	4,646
	Total non financial assets	**6,659**
A	**Total assets**	**4,10,634**
	LIABILITIES	
	Financial liabilities	
	i. Trade payables	3,77,816
	ii. Other financial liabilities	1,506
	Provisions	651
	Other non financial liabilities	13,080
	Total current liabilities	**3,93,053**
B	**Total liabilities**	**3,93,053**
	Net assets / (liabilities) relating to discontinued operations (A-B)	**17,581**

iii) Statement of cash flow from discontinuing operations for year ended march 31, 2019

Particulars	For the year ended 31st March, 2019
Net cash attributal to the discontinued business	
Net cash generated from / (used in) operating activities	1,22,123
Net cash generated from / (used in) investing activities	-
Net cash generated from / (used in) financing activities	-

Notes to the financial statement for the year ended March 31, 2019 (₹ in thousand)

34 **Employee Benefits**

The Company has classified the various benefits provided to employees as under:

A. Defined Contribution Plans:

The Company has a defined contribution plan in respect of provident fund. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Particular	As at March 31, 2019	As at March 31, 2018
Employer's Contribution to Provident Fund (Included in 'Contribution to provident and other funds' under Employee Benefits Expense) - refer note no. 26	1,427	1,482

B. Defined Benefit Plans:
Gratuity and Leave Encashment

The employees' gratuity fund scheme managed by a Trust (Reliance Securities Limited Employees Gratuity Assurance Scheme) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

	Gratuity Benefits		Leave Encashment Benefits	
I. Change in present value of obligation:	**As at March 31, 2019**	**As at March 31, 2018**	**As at March 31, 2019**	**As at March 31, 2018**
Present value of obligations at the beginning of the year	**1,919**	2,171	**189**	194
Interest Cost	149	160	-	14
Current Service Cost	353	406	-	56
Benefit Paid	(1,008)	(755)	(189)	(23)
Actuarial (gain)/loss on obligations	227	(63)		(52)
Liability for Transferred In / (out)	-	-	-	-
Present value of obligations at the end of the year	**1,640**	**1,919**	**-**	**189**
II. Change in the fair value of Plan Assets :	**As at March 31, 2019**	**As at March 31, 2018**	**As at March 31, 2019**	**As at March 31, 2018**
Fair Value of Plan Assets at the beginning of the year	**1,738**	87	**-**	**-**
Expected Return on Plan Assets	135	6	-	-
Contributions	181	2,334	-	-
Benefit Paid	(1)	(755)	-	-
Actuarial gain/(loss) on Plan Assets	(58)	65	-	-
Assets Transferred In/(out)	-	-	-	-
Fair Value of Plan Assets at the end of the year	**1,995**	**1,738**	**-**	**-**
III. Reconciliation of present value of obligation and fair value of assets :	**As at March 31, 2019**	**As at March 31, 2018**	**As at March 31, 2019**	**As at March 31, 2018**
Liability at the end of the year	1,640	1,919	-	189
Fair value of plan assets at the end of the year	1,995	1,738	-	-
(Asset) / Liability Recognised in the Balance Sheet	**(356)**	**181**	**-**	**189**
IV. Expenses recognised during the year :	**As at March 31, 2019**	**As at March 31, 2018**	**As at March 31, 2019**	**As at March 31, 2018**
Current Service Cost	353	406	-	56
Interest Cost	149	160	-	14
Expected Return on Plan Assets	(135)	(6)	-	-
Net Actuarial (Gain)/Loss recognised	284	(128)	-	(52)
Expense Recognised in statement of profit and loss	651	431	-	18

Notes to the financial statement for the year ended March 31, 2019 (₹ in thousand)

Amount recorded in Other comprehensive Income (OCI)	**As at March 31, 2019**	**As at March 31, 2018**
Remeasurements during the year due to		
-Changes in financial assumptions		
Experience Adjustment on Plan Liability (Gain)/Loss	227	(63)
Actuarial Gain /(Loss) due to Plan Asset	(58)	65
Amount recognised in OCI during the year	284	(128)

V. Investment details :

Total value of investments for employees gratuity fund scheme is managed by insurance company

VI. Assumptions :	**As at March 31, 2019**	**As at March 31, 2018**	**As at March 31, 2019**	**As at March 31, 2018**
Discount Rate (per annum)	7.76%	7.78%	-	7.78%
Rate of Return on Plan Assets	7.76%	7.78%	-	0.00%
Salary Escalation	6.00%	6.00%	-	6.00%
Rate of Employee Turnover	For service 4 years and below 13.00% p.a. & For service 5 years and above 3.00% p.a.	For service 4 years and below 13.00% p.a. & For service 5 years and above 3.00% p.a.	-	For 0 years to 4 years 13.00 % p.a. & 3% thereafter
Mortality Rate During Employment	Indian Assured Lives Mortality(2006-08)	Indian Assured Lives Mortality(2006-08)	-	Indian Assured Lives Mortality(2006-08)

VII. - Particulars of amounts for the year and previous years	**Gratuity for the year ended March 31,**				
	2019	**2018**	**2017**	**2016**	**2015**
Present value of obligations at the beginning of the year	1,640	1,919	2,171	2,509	3,109
Fair value of plan assets at the end of the year	1,995	1,738	87	2,470	1,400
Excess of Obligation Over Plan Asset	(356)	181	2,084	38	1,709
Experience Adjustment on Plan Liability (Gain)/Loss	227	(63)	1,594	(755)	1,661
Actuarial Gain /(Loss) due to Plan Asset	(58)	65	(55)	(55)	82

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

C. Sensitivity analysis:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

	Change in assumption		**Impact on defined benefit obligation**			
			Increase in assumption		**Decrease in assumption**	
	As at March 31, 2019	**As at March 31, 2018**	**As at March 31, 2019**	**As at March 31, 2018**	**As at March 31, 2019**	**As at March 31, 2018**
Discount Rate	1.00%	1.00%	(188)	(228)	224	273
Salary growth rate	1.00%	1.00%	226	275	(193)	234
Employee Turnover	1.00%	1.00%	27	36	(32)	42

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined obligation calculated with the projected unit credit method at the end of reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used un preparing the sensitivity analysis did not change compared to the prior year.

(D) Major Category of Plan Asset as a % of total Plan Assets

Category of Assets (% Allocation)	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 01, 2017**	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 01, 2017**
	%			**(Amount)**		
Insurer managed funds	100.00%	100.00%	100.00%	1,995	1,738	87
Total	**100.00%**	**100.00%**	**100.00%**	**1,995**	**1,738**	**87**

(F) Risk exposure

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. The gratuity fund is administered through Reliance Nippon Life Insurance Ltd. (insurer) under its group gratuity scheme. Accordingly almost the entire plan asset investments is maintained by the insurer. These are subject to interest rate risk which is managed by the insurer.

Notes to the financial statement for the year ended March 31, 2019 (₹ in thousand)

Changes in bond yields
A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' assets maintained by the insurer.

The gratuity fund is administered through insurer under its Group Gratuity Scheme. Unique advantage of this scheme is that contribution made by the Company and interest credited by insurer are irreversible. This ensures higher level of safety for the total corpus and consistency in future contribution. The total corpus comprising of money contributed by the Company and the interest credited by insurer is available for claim settlements to 100% subject to availability of funds. On the exit of the employees due to retirement/death/resignation the gratuity trust makes a claim on insurer which is then paid to the employees after receipt of such claim. The investment risk in this case is not borne by the Company.

(G) Defined benefit liability and employer contribution

The Company generally eliminates the deficit in the defined benefit gratuity plan with in next one year.

Expected contribution to the post employment benefit plan (Gratuity) for the year ending March 31, 2020 are 801 Thousands

The weighted average duration of the defined benefit obligation is 14 years (2018 – 15 years, 2017 - 15 years).

The expected maturity analysis of undiscounted post employment benefit plan (gratuity) is as follows :

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2019					
Defined benefit obligation (gratuity)	49	58	216	4,925	5,248
March 31, 2018					
Defined benefit obligation (gratuity)	64	68	249	6,062	6,443
April 1, 2017					
Defined benefit obligation (gratuity)	74	80	268	6,488	6,910

Notes to the financial statement for the year ended March 31, 2019 (₹ in thousand)

35 **Disclosure in accordance with Ind-AS 24 Related party transactions**

Relationships during the year

(A) **Holding Company**
Reliance Capital Limited

(B) **Subsidiaries of Holding Company**
Reliance General Insurance Company Limited
Reliance Nippon Life Insurance Company Limited
Reliance Health Insurance Limited
Reliance Commercial Finance Limited
Reliance Home Finance Limited
Reliance Securities Limited
Reliance Financial Limited
Reliance Wealth Management Limited
Reliance Money Solutions Private Limited
Reliance Money Precious Metals Private Limited
Reliance Corporate Advisory Services Limited
Quant Capital Private Limited
Quant Broking Private Limited
Quant Securities Private Limited
Quant Investment Services Private Limited

(C) **Associate Companies of Holding Company**
Ammolite Holdings Limited
Reliance Asset Reconstruction Company Limited
Reliance Nippon Life Asset Management Limited

(D) **Key management personnel(KMP)**

Names	**Designation**
Mr. Gop Kumar Bhaskaran	Director
Mr. Manish Dhanuka	Director(w.e.f, 07-May-2018)
Mr. Monish Seth	Director(upto, 07-May-2018)
Mr. Manu Chadha	Independent Director
Ms. Homai Daruwalla	Independent Director(upto, 26-Oct-2018)

(E) **Transactions with related parties during the year :**

Nature of Transaction	**Holding company**		**Fellow Subsidiaries**	
	31st March		**31st March**	
	2019	**2018**	**2019**	**2018**
Redemption of Bonds Purchased				
Reliance Capital Limited				
Reliance capital Nifty Linked Debenture*				
Face Value of Rs. 100000 by 26 quantity	3,081	-	-	-
* The above debentures have been purchased from third party/open market and have been redeemed by the holding company during the previous year.				
Reliance Financial Nifty Linked Debenture*	-	-	-	-
Face Value of Rs. 100000 by 1000 quantity	-	-	1,24,282	-
* The above debentures have been purchased from third party/open market and have been redeemed by the holding company during the previous year.				
Unsecured loan (Inter Corporate Deposit)				
Reliance Financial Limited				
Opening balance	-	-	(30,000)	-
Taken during the year	-	-	(8,14,500)	(1,48,200)
Repaid during the year	-	-	8,44,500	1,18,200
Closing balance	-	-	-	(30,000)
Quant Capital Private Limited				
Opening balance	-	-	-	-
Given during the period	-	-	3,75,000	-
Repaid during the period	-	-	3,75,000	-
Closing balance	-	-	-	-

Nature of Transaction	Holding company		Fellow Subsidiaries	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Receipts/Income				
A. Brokerage Income				
Reliance Capital Limited	-	-	-	-
Reliance Financial Limited	-	-	-	0
Rs. Nil (previous year Rs. 17)				
Payments/expenditures				
Interest on Inter Corporate Deposits				
Reliance Financial Limited	-	-	2,446	349
Quant Capital Private Limited	-	-	4,397	-
Insurance				
Reliance General Insurance Company Limited	-	-	701	962
Reliance Nippon Life Insurance Company Limited - Refund	-	-	-	185
Rent and Electricity Expenses				
Reliance Securities Limited	-	-	2,601	18,022
IT Infra Support charges				
Reliance Securities Limited	-	-	20,000	20,000
Godown Rent				
Reliance Securities Limited	-	-	8,491	8,321
Receivable / (Payable)				
Reliance Nippon Life Insurance Company Limited	-	-	60	-
Reliance Securities Limited	-	-	(10,686)	(10,686)
Reliance General Insurance Company Limited	-	-	92	-

	Key managerial persons & their relatives	
	31st March	31st March
Director Sitting Fees	2019	2018
Mr. Manu Chadha	520	420
Ms. Homai Daruwalla	240	420

(F) ***Terms & conditions***

All transactions were made on normal commercial terms and conditions.
All outstanding balances are unsecured and are repayable in cash.

The remuneration to key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

36 The Company is into commodity broking related activities, As the Company is engaged only in one business segment and there are no geographical segments, the Balance Sheet for the year ended March 31, 2019, and Statement of Profit and Loss for the year ended March 31, 2019 pertain to one business segment and related activities as per Ind AS 108 on Operating Segment"

37 **Foreign currency transactions**

Details of foreign currency transactions are as follows:

Particular	As at March 31, 2019	As at March 31, 2018
Expenditure incurred in foreign currency*	-	-
Income earned in foreign currency*	-	-

*During the year the company had no unhedged foreign currency exposures

(₹ in thousand)

38 Fair value measurement

a) Financial instruments by category

Particular	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets									
Cash and cash equivalents	-	-	1,11,724	-	-	8,038	-	-	82,122
Bank balance other than cash and cash equivalents above	-	-	3,19,150	-	-	3,09,700	-	-	2,57,900
Receivables									
(i) Trade receivables	-		3,034	-		3,539	-		2,998
(ii) Other receivables	-		-	-		-	-		-
Investments	-		20	-		20	-		20
Other Financial assets	-		20,067	-		23,417	-		54,227
Total financial assets	**-**	**-**	**4,53,995**	**-**	**-**	**3,44,713**	**-**	**-**	**3,97,267**
Financial liabilities									
(I) Trade payables									
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	3,77,816	-		2,45,197	-		2,98,731
(II) Other payables									
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-		-			-	-		-
Borrowings	-		18,784			70,170			-
Other financial liabilities	-	-	1,506	-	-	1,516	-	-	1,505
Total financial liabilities	**-**	**-**	**3,98,105**	**-**	**-**	**3,16,883**	**-**	**-**	**3,00,236**

Notes to the financial statement for the year ended March 31, 2019 (₹ in thousand)

38 Fair value measurement (continued)

b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

As at March 31, 2019

Assets and liabilities measured at amortised cost for which fair values are disclosed	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Cash and cash equivalents	-	-	1,11,724	1,11,724
Bank balance other than cash and cash equivalents	-	-	3,19,150	3,19,150
Receivables				
(i) Trade receivables	-	-	3,034	3,034
(ii) Other receivables	-	-	-	
Investments	-	-	20	20
Other Financial assets	-	-	20,067	20,067
				-
Total financial assets	**-**	**-**	**4,53,995**	**4,53,995**
Financial liabilities				
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	3,77,816	3,77,816
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-
(II) Other payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-
Borrowings	-	-	18,784	18,784
Other financial liabilities	-	-	1,506	1,506
Total financial liabilities	**-**	**-**	**3,98,105**	**3,98,105**

Reliance Commodities Limited
Notes to the financial statement for the year ended March 31, 2019 (₹ in thousand)

As at March 31, 2018

Assets and liabilities measured at amortised cost for which fair values are disclosed	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Cash and cash equivalents	-	-	8,038	8,038
Bank balance other than cash and cash equivalents	-	-	3,09,700	3,09,700
Receivables				
(i) Trade receivables	-	-	3,539	
(ii) Other receivables	-	-	-	
Investments	-	-	20	20
Other Financial assets	-	-	23,417	23,417
				-
Total financial assets	**-**	**-**	**3,44,713**	**3,41,175**
Financial liabilities				
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	2,45,197	2,45,197
(II) Other payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-
Borrowings	-	-	70,170	70,170
Other financial liabilities	-	-	1,516	1,516
Total financial liabilities	**-**	**-**	**3,16,883**	**3,16,883**

Notes to the financial statement for the year ended March 31, 2019 (₹ in thousand)

As at April 1, 2017

Assets and liabilities measured at amortised cost for which fair values are disclosed	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Cash and cash equivalents	-	-	82,122	82,122
Bank balance other than cash and cash equivalents	-	-	2,57,900	2,57,900
Receivables				
(i) Trade receivables	-	-	2,998	
(ii) Other receivables	-	-	-	
Investments	-	-	20	20
Other Financial assets	-	-	54,227	54,227
Total financial assets	**-**	**-**	**3,97,267**	**3,94,269**
Financial liabilities				
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	2,98,731	2,98,731
(II) Other payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-
Borrowings			-	-
Other financial liabilities			1,505	1,505
Total financial liabilities	**-**	**-**	**3,00,236**	**3,00,236**

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between levels 1, 2 and 3 during the year. For transfers in and out of level 3 measurements see (iii)

Notes to the financial statement for the year ended March 31, 2019 (₹ in thousand)

c) Fair value of financial assets and liabilities measured at amortised cost

	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Carrying Value	**Fair value**	**Carrying Value**	**Fair value**	**Carrying Value**	**Fair value**
Financial assets						
Cash and cash equivalents	1,11,724	1,11,724	8,038	8,038	82,122	82,122
Bank balance other than cash and cash equivalents above	3,19,150	3,19,150	3,09,700	3,09,700	2,57,900	2,57,900
Receivables						
(i) Trade receivables	3,034	3,034	3,539	3,539	2,998	2,998
(ii) Other receivables	-	-	-	-	-	-
Investments	20	20	20	20	20	20
Other Financial assets	20,067	20,067	23,417	23,417	54,227	54,227
Total financial assets	**4,53,995**	**4,53,995**	**3,44,713**	**3,44,713**	**3,97,267**	**3,97,267**
Financial liabilities						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3,77,816	3,77,816	2,45,197	2,45,197	2,98,731	2,98,731
(II) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Borrowings	18,784	18,784	70,170	70,170	-	-
Other financial liabilities	1,506	1,506	1,516	1,516	1,505	1,505
Total financial liabilities	**3,98,105**	**3,98,105**	**3,16,883**	**3,16,883**	**3,00,236**	**3,00,236**

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, cash and cash equivalents, bank deposits and trade payables. Such amounts have been classified as Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Notes to the financial statement for the year ended March 31, 2019 (₹ in thousand)

39 Financial risk management

A The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments are used for hedging purposes.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade and other receivables, Investments, financial assets measured at	Ageing analysis, credit ratings	Diversification of bank deposits, credit limits and regular monitoring
Liquidity risk	Borrowings	Rolling cash flow forecasts	Availability of committed credit lines, borrowing facilities, Asset liability measurement
Market exchange - Interest rate	rate	Sensitivity analysis	
Market risk - Security prices	Investment in equity securities	Sensitivity analysis	Portfolio diversification

a) Credit risk management

Credit risk is the risk of suffering financial loss, should any of the Company's customers, clients or market counterparties fail to fulfil their contractual obligations to the Company.

The Company is also exposed to other credit risks arising from investments in debt securities.

Credit risk is the single largest risk for the Company's business; management therefore carefully manages its exposure to credit risk. The credit risk management and control are centralised in a credit risk management team which reports regularly to the Board of Directors.

Expected credit loss measurement

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company, market intelligence & goodwill. Outstanding customer receivables are regularly monitored.

The Company has established an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach that "Trade receivables outstanding for more than 90 days in case of broking business clients and outstanding for more than 180 days in case of third party distribution business clients" for the purpose of computation of expected credit loss for trade receivables and other receivables. An impairment analysis is performed at each reporting date on an individual basis for all parties. The Company evaluates the concentration of risk with respect to trade receivables as low.

Credit risk on cash and cash equivalents and other deposits with banks and exchanges are limited as the Company generally invest in deposits with banks with high credit ratings assigned by external credit rating agencies, accordingly the Company considers that the related credit risk is low.

Loss allowance

Reconciliation of loss allowance provision:

	Trade receivables
Loss allowance as on April 01, 2017	-
changes in loss allowance	1,710
Loss allowance as on March 31, 2018	**1,710**
changes in loss allowance	403
Loss allowance as on March 31, 2019	**2,113**

Write-off policy

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Company's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

Notes to the financial statement for the year ended March 31, 2019 (₹ in thousand)

b) Liquidity risk and funding management

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in accordance with practice and limits set by the company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Expiring within one year	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Floating rate			
Overdraft facilities	26,216	4,830	45,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time.

ii) Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the company's financial assets and liabilities as at March 31. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at March 31, 2019

Contractual maturities of assets and liabilities	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial assets						
(a) Cash and cash equivalents	1,11,724	-	-	-	-	**1,11,724**
(b) Bank balance other than cash and cash equivalents	-	1,12,500	2,06,650	-	-	**3,19,150**
(c) Receivables						
(i) Trade receivables	-	-	3,034	-	-	**3,034**
(ii) Other receivables	-	-	-	-	-	**-**
(d) Investments					20	**20**
(e) Other Financial assets	-	-	20,066.50	-	-	**20,067**
Total financial assets	**1,11,724**	**1,12,500**	**2,29,751**	**-**	**20**	**4,53,995**
Financial liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	**-**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	3,77,816	-	-	**3,77,816**
(II) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	**-**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	**-**
Borrowings	-	-	18,784	-	-	**18,784**
Other financial liabilities	-	-	1,506	-	-	**1,506**
Total financial liabilities	**-**	**-**	**3,98,106**	**-**	**-**	**3,98,106**
Net	**1,11,724**	**1,12,500**	**(1,68,355)**	**-**	**20**	**55,889**

As at March 31, 2018

Contractual maturities of assets	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial assets						
(a) Cash and cash equivalents	8,038	-	-	-	-	**8,038**
(b) Bank balance other than cash and cash equivalents	-	-	3,09,700	-	-	**3,09,700**
(c) Receivables						
(i) Trade receivables	-	3,539	-	-	-	**3,539**
(ii) Other receivables						**-**
(d) Investments	-	-	-	-	20	**20**
(e) Other Financial assets			11,891	11,526		**23,417**
Total financial assets	**8,038**	**3,539**	**3,21,591**	**11,526**	**20**	**3,44,713**
Financial liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises	**-**	**-**	**-**	**-**	**-**	**-**
(ii) total outstanding dues of creditors other than	**-**	**-**	**2,45,197**	**-**	**-**	**2,45,197**
(II) Other payables						
(i) total outstanding dues of micro enterprises	**-**	**-**	**-**	**-**	**-**	**-**
(ii) total outstanding dues of creditors other than	**-**	**-**	-	**-**	**-**	**-**
Borrowings	**-**	**-**	70,170	**-**	**-**	**70,170**
Other financial liabilities	**-**	**-**	1,516	**-**	**-**	**1,516**
Total financial liabilities	**-**	**-**	**3,16,883**	**-**	**-**	**3,16,883**
Net	**8,038**	**3,539**	**4,708**	**11,526**	**20**	**27,831**

Notes to the financial statement for the year ended March 31, 2019 (₹ in thousand)

As at April 1, 2017

Contractual maturities of assets	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial assets						
(a) Cash and cash equivalents	82,122	-	-	-	-	**82,122**
(b) Bank balance other than cash and cash equivalents above	-	-	2,57,900	-	-	**2,57,900**
(c) Receivables						
(i) Trade receivables	-	-	2,998	-	-	**2,998**
(ii) Other receivables	-	-	-	-	-	**-**
(d) Investments	-	-	-	-	20	**20**
(e) Other Financial assets	-	-	54,227	-	-	**54,227**
Total financial assets	**82,122**	**-**	**3,15,125**	**-**	**20**	**3,97,267**
Financial liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	2,98,731	-	-	2,98,731
(II) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Borrowings	-	-	-	-	-	**-**
Other financial liabilities	-	-	1,505	-	-	**1,505**
Total financial liabilities	**-**	**-**	**3,00,236**	**-**	**-**	**3,00,236**
Net	**82,122**	**-**	**14,889**	**-**	**20**	**97,030**

c) Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates

Cash flow and fair value interest rate risk

The Company’s fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

i) Interest rate risk exposure

The exposure of the Company’s borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Fixed rate borrowing	18,784	70,170	-
Total Borrowing	**18,784**	**70,170**	**-**

B Capital management

Risk management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders. The capital of the Company consist of equity capital and accumulated profits. The Company avails borrowings only for day to day working capital requirement for daily core business operations.

The company has not paid dividend in last two year to equity stock holders of the company.

Notes to the financial statement for the year ended March 31, 2019 (₹ in thousand)

C Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets									
a. Cash and cash equivalents	1,11,724	-	1,11,724	8,038	-	8,038	82,122	-	82,122
b. Bank balance other than cash and cash equivalents above	3,19,150	-	3,19,150	3,09,700	-	3,09,700	2,57,900	-	2,57,900
c. Receivables									
(i) Trade receivables	3,034	-	3,034	3,539	-	3,539	2,998	-	2,998
(ii) Other receivables									
d. Investments	-	20	20	-	20	20	-	20	20
e. Other Financial assets	13,541	6,526	20,067	16,891	6,526	23,417	47,101	7,126	54,227
Non-financial Assets									
Inventories	21,363	-	21,363	65,616	-	65,616	-	-	-
Current tax assets (net)	-	5,220	5,220	-	6,241	6,241	-	1,644	1,644
Deferred tax Assets (net)	-	16,786	16,786	-	14,955	14,955	-	17,015	17,015
Property, Plant and Equipment	-	433	433	-	623	623	-	1,072	1,072
Other Intangible assets	-	1,580	1,580	-	1,778	1,778		1,454	1,454
Other non-financial assets	13,830	-	13,830	9,165	-	9,165	6,375	-	6,375
Total assets	**4,82,642**	**30,565**	**5,13,207**	**4,12,948**	**30,143**	**4,43,092**	**3,96,496**	**28,331**	**4,24,827**

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Liabilities									
(a) Payables									
(I) Trade payables									
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	3,77,816		3,77,816	2,45,197	-	2,45,197	2,98,731	-	2,98,731
(II) Other payables									
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-		
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
Borrowings	18,784	-	18,784	70,170	-	70,170	-	-	-
Other financial liabilities	1,506	-	1,506	1,516	-	1,516	1,505	-	1,505
Non-Financial Liabilities									
(a) Provisions	651	-	651	188	182	370	2,091	187	2,278
(b) Other non-financial liabilities	13,080	-	13,080	15,207		15,207	16,176	-	16,176
Total liabilities	**4,11,837**	**-**	**4,11,837**	**3,32,278**	**182**	**3,32,460**	**3,18,503**	**187**	**3,18,690**
Net	**70,805**	**30,565**	**1,01,370**	**80,670**	**29,961**	**1,10,632**	**77,992**	**28,144**	**1,06,137**

40 **First time adoption of Ind AS**

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March 2019, the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS balance sheet at April 01, 2017 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

I Ind AS optional exemptions

Deemed Cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment (including capital work-in-progress) as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities and capital grant, if applicable. This exemption can also be used for intangible assets covered by Ind AS 38.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

II Ind AS mandatory exemptions

a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 01, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

• Investment in equity instruments carried at Fair value through profit or loss or Fair value through other comprehensive income;

• Investment in debt instruments carried at fair value through profit and loss; and

• Impairment of financial assets based on expected credit loss model.

b) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choice, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

c) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

III Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of total equity as at March 31, 2018 and April 01, 2017

Particulars	Notes to first time adoption	As at March 31, 2018	As at March 31, 2017
Total equity (shareholder's funds) as per previous GAAP		1,14,704	1,15,251
Adjustments :			
Derecognition of on Advance brokerage plan	2	(5,759)	(6,064)
Fair valuation of Inventory i.e. bonds/MLD	4	3,553	-
Recognition of deferred tax assets	3	1,570	1,874
Error in computation of employee compensation	8	(3,436)	(4,924)
Total adjustments		**(4,072)**	**(9,114)**
Total equity as per Ind AS		**1,10,632**	**1,06,137**

Reconciliation of total comprehensive income for the period March 31, 2018

Particulars	Year ended March 31, 2018
Net profit or loss as per Indian GAAP	**(547)**
Revenue recognition on Advance brokerage plan	305
Fair valuation of Inventory i.e. MLD/Bonds/Equity	3,553
Error in computation of employee compensation	1,488
Recognition/(Derecognition) of deferred tax assets	(271)
Actuarial loss reclassified to other comprehensive income from P&L account	(128)
Total adjustments	**4,947**
Net profit/loss as per Ind AS as on 31st March, 2018 (i+ii)	4,400
Other comprehensive income, net of income tax	95
Total comprehensive income for the period (iii+iv)	**4,495**

Impact of Ind AS adoption on the cash flows for the year ended March 31, 2018

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	(1,41,560)	1	(1,41,559)
Net cash flow from investing activities	(465)	-	(465)
Net cash flow from financing activities	67,940	(40,170)	27,771
Net increase/(decrease) in cash and cash equivalents	**(74,085)**	**(40,169)**	**(1,14,254)**
Cash and cash equivalents as at April 01, 2017	82,122	-	82,122
Cash and cash equivalents as at March 31, 2018	**8,037**	**(40,169)**	**(32,132)**

Note :No Impact on cash flow from operating activities, Investing activities and financing activities under Ind AS from previous GAAP, the above adjustment amount arising due to regrouping of bank overdraft.

REFERENCE NOTE

1. Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2018 increase by ₹128 Thousands. There is no impact on the total equity as at March 31, 2018.

2. Revenue and Deferred revenue

As par Ind AS-18, certain items of non-refundable brokerage, received upfront, are now being recognised as revenue over the tenure of contracts as it better reflects the substance of the transaction, which were earlier recognised upfront. Accordingly the Company has deferred the income from such contracts outstanding as at the date of transition and for new contracts entered during the financial year 2017-18. Consequently, the amount recognised in revenue received in advances increased by ₹5,748 Thousands as at March 31, 2018 (April 01, 2017- ₹6,063 Thousands) . The profit for the year ended March 31, 2018 increased by ₹304 Thousands.

3. Deferred Tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS. This resulted increase in deferred tax assets by ₹ 1,570 Thousands as at March 31, 2018 [April 01, 2017 - ₹1,873 Thousands].

4. Valuation of Investments

Under the previous GAAP, investments in equity shares, debentures, investment in mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments, other than investments in equity instruments, are required to be measured at fair value/amortised cost.

5. Retained earnings

Retained earnings as at April 1, 2017 has been adjusted consequent to the above Ind AS transition adjustments. This resulted decrease in retained earnings by ₹ 5,028 Thousands for the year ending March 31, 2018 and for the year ending April 01, 2017 - ₹ 9,113 Thousands.

6. Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP. In March 31, 2018, Other comprehensive income booked for remeasurements of defined benefit plans was ₹ (128 Thousands).

7. Disclosure of MAT credit entitlement

Under IGAAP, the Company has classified MAT credit entitlement under Loans and advances. Under Ind AS, Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

8. Estimates and Errors

Ind AS 8 – "Accounting Policies, Changes in Accounting Estimates and Errors" requires retrospective adjustment of prior period errors and omissions by restating the comparative amounts for prior period presented or, where the errors relate to the period(s) before the earliest prior period presented, restating the opening balance of assets, liabilities and equity for that period. In this guidance, it was observed that there was under-provision for employee expense liability in the financial year 2017 and 2018 and to comply with Ind AS requirement, employee expense provision liability has been reinstated for March 2017 by Rs. 4,924 thousands through opening balance sheet adjustment in April 01, 2017 and by Rs 3,436 thousands in March 2018 through re-instating employee benefit liability in the financial statement.

41 On account of inadequate average net profits of immediately preceding 3 years, the Company is not required to pay any amount towards corporate social responsibility as defined under section 135 of Companies Act 2013.

The accompanying notes form an integral part of the financial statements

As per our attached report of even date

For Pathak H. D. & Associates Chartered Accountants Firm registration No. 107783W	**For and on behalf of the Board of Directors**	
Mukesh Mehta Partner Membership No.: 043495	**B. Gop Kumar** Director DIN: 07223999	**Manish Dhanuka** Director DIN: 03272845

Place : Mumbai
Date : April 30, 2019