Financial Statement

2018-19

Reliance Securities Limited

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RELIANCE SECURITIES LIMITED

Opinion

We have audited the accompanying Ind AS financial statements of **Reliance Securities 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 profit 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Market Linked Debentures (MLD) The Company has non-convertible debentures (Market Linked Debentures) of Rs. 10,933 Lakhs as at 31st March 2019. The rate of interest on which is linked to performance of specified indices over the period of the debentures. The terms and conditions of the Market Linked Debentures are detailed in Note 19 of the Ind AS financial statements. Further, Market Linked Debentures is a key number in the balance sheet and will remain an important funding mechanism for continued growth. Therefore, in our view, Market Linked Debentures is important to the readers understanding of the Ind AS financial statements. As a result of these items we consider accounting for Market Linked Debentures to be a key audit matter at 31st March 2019.	We carried out following procedures in respect to Market Linked Debentures : - held discussion with management and obtained understanding of valuation process including management's determination and approval of assumptions and data inputs. - evaluate the design and tested operating effectiveness of controls related to the data considered in the valuation, related calculations and Valuation reports provided by management's external expert.
Provisions and contingent liabilities in relation to tax positions Refer note no. 34 of the Ind AS financial statement. The company has received various demands and show cause notices from the service tax department in respect of various matters. The management have made judgments relating to the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability. We therefore focused on this area as a result of uncertainty and potential material impact.	We have involved our tax experts to gain an understanding of the current status of the tax cases and monitored changes in the disputes by reading external opinions received by the Company if any, where relevant, to establish that the tax provisions had been appropriately adjusted to reflect the latest external developments. For legal, regulatory and tax matters our procedures included the following: • testing key controls surrounding litigation, regulatory and tax procedures; • performing substantive procedures on the underlying calculations supporting the provisions recorded; • where relevant, reading external legal opinions obtained by management; • discussing open matters with the litigation, regulatory, general counsel and tax teams; • assessing management's conclusions through understanding precedents set in similar cases; Based on the evidence obtained, while noting the inherent uncertainty with such legal, regulatory and tax matters, we determined the level of provisioning and disclosure of contingent liabilities as at 31 March 2019 to be appropriate.

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 and are therefore the key audit matters. 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 disclosed the impact of pending litigations on its financial position in its Ind AS financial statements in note 34to the Ind AS financial statements;

      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 SECURITIES 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) In our opinion and according to the information and explanations given to us, title deeds of immovable properties are held in the name of 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, Employees' State Insurance, Goods and Service Tax (GST), Cess and other material statutory dues have generally been regularly deposited with appropriate authorities. However in respect of Income Tax (tax deducted at source) and professional Tax the delay range from one days to seventeen days. 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) Details of dues of Service Tax has not been deposited as on March 31, 2019on account of disputes are given below:

Name of Statue	Nature of Dues	Amount (Rs. in Lakh)	Period to which amount relates	Forum where dispute is pending
Service Tax	Demand, Interest and Penalty	411	2007-2008 to 2011-12	CESTAT
Service Tax	Demand	926	July 2012 to June 2017	Commissioner of CGST
Service Tax	Demand	484	October 2014 to September 2015	Commissioner of CGST
Service Tax	Demand	928	2005– 2006 to 2010-11	Commissioner of CGST

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, financial institutions and debentures holders of Market linked debentures. The Company does not have any borrowings from government.

9) According to the information and explanations given to us, the term loans raised during the year were, prima facie, been applied for the purpose for which loans were raised.

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 paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

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 made private placement of Market linked debentures (MLD's) during the year amounting to Rs. 8,755 lakhs. The company has duly complied with the section 42 of the Act and according to the information and explanations given to us, the funds were utilised for the purposes for which they were raised.

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 SECURITIES 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 Securities 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 Securities Limited

Balance Sheet as at March 31, 2019

(₹ in lakh)

	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	5,221	5,357	3,280
(b)	Bank balance other than (a) above	4	26,562	32,390	26,688
(c)	Derivative financial instruments	5	1	-	-
(d)	Receivables	6			
	(i) Trade receivables		12,190	17,198	23,272
	(ii) Other receivables		1,191	481	-
(e)	Loans	7	13,955	12,845	-
(f)	Investments	8	3,127	3,500	3,500
(g)	Other financial assets	9	1,427	2,900	1,765
Non-financial Assets					
(a)	Inventories	10	771	615	1,639
(b)	Current tax assets (net)	11	592	526	639
(c)	Deferred tax assets (net)	12	844	252	-
(d)	Investment property	13	14	14	-
(e)	Property, plant and equipment	14	950	853	850
(f)	Other intangible assets	15	875	1,029	583
(g)	Other non-financial assets	16	677	763	1,419
Total Assets			**68,397**	**78,723**	**63,635**
LIABILITIES AND EQUITY					
LIABILITIES					
Financial Liabilities					
(a)	Derivative financial instruments	17	2,784	-	12
(b)	Payables				
	(I) Trade payables	18A			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		25,529	29,632	27,413
	(II) Other payables	18B			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(c)	Debt securities	19	10,933	2,621	-
(d)	Borrowings (other than debt securities)	20	8,803	26,497	18,925
(e)	Subordinated liabilities	21	-	-	17,500
(f)	Other financial liabilities	22	1,557	1,551	1,433
Non-Financial Liabilities					
(a)	Provisions	23	358	334	200
(b)	Other non-financial liabilities	24	5,228	7,165	6,394
EQUITY					
(a)	Equity share capital	25	21,000	21,000	5,000
(b)	Instruments entirely equity in nature	26A	2,500	2,500	-
(c)	Other equity	26B	(10,295)	(12,577)	(13,242)
Total Liabilities and Equity			**68,397**	**78,723**	**63,635**
Significant accounting policies and notes to the financial statements		1 to 52			

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

Amit Bapna
Director
DIN : 00008443

Place : Mumbai
Date : April 30, 2019

Manish Dhanuka
Chief Financial Officer

Ashish Turakhia
Company Secretary
Membership No. F3371

Reliance Securities Limited

Statements of profit and loss for the year ended March 31, 2019 (₹ in lakh)

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
A	**Revenue from operations**			
	Interest income	27	6,003	5,959
	Fees and commission income	28	18,732	17,187
	Net gain on fair value changes	29	3,872	2,331
	Total Revenue from operations		28,607	25,477
B	**Other Income**	30	153	85
C	**Total Income (A + B)**		**28,760**	**25,562**
	Expenses			
	Finance costs	31	2,722	2,208
	Fees and commission expense		2,168	2,206
	Employee Benefits Expenses	32	12,430	11,107
	Depreciation, amortization and impairment	13 ,14 & 15	783	661
	Others expenses	33	8,496	8,600
D	**Total Expenses**		**26,599**	**24,782**
(I)	Profit before exceptional items and tax (C-D)		2,161	780
(II)	Exceptional items		-	-
(III)	Profit before tax (I -II)		2,161	780
(IV)	Tax Expense:			
	(i) Current tax		469	252
	(ii) Deferred tax		(592)	(252)
	(iii) Taxes of earlier years (net)		0	70
(V)	**Profit for the year (III-IV)**		**2,284**	**710**
(VI)	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss :			
	Re-measurement of post retirement benefit obligation gain/(loss)		(51)	(57)
	Tax on above		11	12
	Other Comprehensive Income		**(40)**	**(45)**
(VII)	**Total Comprehensive Income for the year**		**2,244**	**665**
	Earnings per equity share (Amount in ₹)	36		
	Basic		1.09	1.28
	Diluted		1.04	1.28

Significant accounting policies and notes to the financial statements 1 to 52

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

Amit Bapna
Director
DIN : 00008443

Ashish Turakhia
Company Secretary
Membership No. F3371

Manish Dhanuka
Chief Financial Officer

Place : Mumbai
Date : April 30, 2019

Reliance Securities Limited
Statement of Cash Flow for year ended March 31, 2019

(₹ in lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash flows from operating activities		
Net Profit before tax as per statement of profit and loss	2,161	780
Adjustments for :		
(Profit)/Loss on sale of investments (net)	(27)	(12)
(Profit)/Loss on sale of fixed assets (net)	14	1
Excess provision/ Credit balance written back	(64)	(52)
Provision for doubtful debts/advances	507	1,513
Provision for fair valuaiton of employee stock options	38	-
Bad debts written off	59	233
Depreciation & amortisation expenses	783	661
Dividend accrue on preference shares	154	(51)
Interest on income tax refund	(46)	(10)
Interest expenses	2,568	2,259
Operating Profit Before working capital changes	**6,147**	**5,322**
Changes in assets and liabilities		
(Increase)/Decrease in bank balances not considered as cash and cash equivalents	5,828	(5,702)
(Increase)/Decrease in trade receivables	3,796	3,899
(Increase)/Decrease in inventories	(156)	1,023
(Increase)/ Decrease in loans	(1,110)	(12,845)
(Increase)/ Decrease in other financial assets	1,473	(1,135)
(Increase)/ Decrease in other non financial assets	86	659
Increase/ (Decrease) in derivatives instruments (net)	2,783	(12)
Increase/ (Decrease) in trade payables	(4,103)	2,219
Increase/ (Decrease) in other financial liabilities	(148)	169
Increase/ (Decrease) in provision	(16)	89
Increase/ (Decrease) in other non-financial liabilities	(1,936)	771
Cash flows from / (used in) operating activities	**12,643**	**(5,543)**
Payment of taxes (net of refunds)	(490)	(199)
Net cash flows from / (used in) operating activities (A)	**12,153**	**(5,742)**
B. Cash flows from investing activities		
Purchase of property plant and equipement & intangible assets	(749)	(1,118)
Sale of fixed assets	10	5
Purchase of investment property	-	(14)
Purchase of investments	(3,127)	(3,500)
Sale of investments	3,527	3,512
Net Cash flows from / (used in) from investment activities (B)	**(339)**	**(1,115)**
C. Cash flows from financing activities		
Proceeds from allotment of equity shares	-	16,000
(Repayment to) / Borrowing from financial institutions and others (net)	(5,607)	8,410
Interest paid	(2,568)	(2,259)
Redemption of preference shares	-	(15,000)
Net Cash flows from / (used in) Financing activities (C)	**(8,175)**	**7,151**
Net increase / (decrease) in cash or cash equivalents (A+B+C)	**3,639**	**294**
Opening balance of cash and cash equivalents	1,582	1,288
Closing balance of cash and cash equivalents (refer note "a")	**5,221**	**1,582**

Reliance Securities Limited
Statement of Cash Flow for year ended March 31, 2019 (₹ in lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018

Notes :

a) **Cash and cash equivalents comprise**

Cash in hand	-	-
Bank overdraft	-	(3,775)
Balance with scheduled banks		
-in current accounts	5,221	5,357
Total cash and cash equivalents	**5,221**	**1,582**

b) **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	5,221	5,357	3,280
Debt securities	(10,933)	(2,621)	-
Borrowings	(8,803)	(26,497)	(36,425)
Net debt	**(14,515)**	**(23,761)**	**(33,145)**

Particulars	**Cash and bank overdraft**	**Debt securities**	**Borrowings**	**Total**
Net debt as at April 1, 2017	**3,280**	**-**	**(36,425)**	**(33,145)**
Cash flows	2,077	(2,621)	9,877	**9,333**
Interest expense	-	-	2,208	**2,208**
Interest paid	-	-	(2,157)	**(2,157)**
Net debt as at March 31, 2018	**5,357**	**(2,621)**	**(26,497)**	**(23,761)**
Cash flows	(136)	(7,755)	17,503	**9,612**
Interest expense	-	-	2,722	**2,722**
Interest paid	-	-	(2,531)	**(2,531)**
Other non-cash movements				
- Fair value adjustments	-	(557)	-	**(557)**
Net debt as at March 31, 2019	**5,221**	**(10,933)**	**(8,803)**	**(14,515)**

c) 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.

d) 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

Mukesh Mehta
Partner
Membership No.: 043495

Place : Mumbai
Date : April 30, 2019

For and on behalf of the Board of Directors

B. Gop Kumar
Director
DIN: 07223999

Amit Bapna
Director
DIN : 00008443

Manish Dhanuka
Chief Financial Officer

Ashish Turakhia
Company Secretary
Membership No. F3371

Reliance Securities Limited

Financial statement for the year ended March 31, 2019 (₹ in lakh)

Statement of change in equity

a. Equity Shares

Particulars	No. of shares	Amount
Balance as at April 1, 2018	21,00,00,000	21,000
Changes in equity share capital	-	-
Balance As at March 31, 2019	**21,00,00,000**	**21,000**
Balance as at April 1, 2017	5,00,00,000	5,000
Changes in equity share capital	16,00,00,000	16,000
Balance As at March 31, 2018	**21,00,00,000**	**21,000**

b. Instruments entirely equity in nature

Particulars	No. of shares	Amount
Balance as at April 1, 2018	2,50,00,000	2,500
Changes in equity	-	-
Balance As at March 31, 2019	**2,50,00,000**	**2,500**
Balance as at April 1, 2017	-	-
Changes in equity	2,50,00,000	2,500
Balance As at March 31, 2018	**2,50,00,000**	**2,500**

c. Other equity

Particulars	Reserves and Surplus				Other comprehensive income	Total
	Capital reserve	Retained earnings	Debenture Redemption Reserve	Share based options outstanding account		
Balance as at April 1, 2017	**2,602**	**(15,825)**	**-**	**-**	**(19)**	**(13,242)**
Add:						
Transfer from Statement of Profit and Loss	**-**	**-**	276	-	**-**	**276**
Profit for the year	-	710	-	-	**-**	**710**
Other comprehensive income for the year	-	-	-	-	(45)	**(45)**
Total	**2,602**	**(15,115)**	**276**	**-**	**(64)**	**(12,303)**
Transfer to Debenture Redemption Reserve	-	(276)	-	-	-	**(276)**
Balance As at March 31, 2018	**2,602**	**(15,391)**	**276**		**(64)**	**(12,578)**
Balance as at April 1, 2018	**2,602**	**(15,391)**	**276**	**-**	**(64)**	**(12,577)**
Add:						
Transfer from Statement of Profit and Loss	**-**	**-**	320	**-**	**-**	**320**
Profit for the year	-	2,284	-	**-**	**-**	**2,284**
Other comprehensive income for the year	-	-	-	**-**	(40)	**(40)**
Transactions with owners in their capacity as owners:						
- Stock options benefit from parent company	-	-	-	38		**38**
Transfer to Debenture Redemption Reserve	-	(320)	-		-	**(320)**
Balance As at March 31, 2019	**2,602**	**(13,427)**	**596**	**38**	**(104)**	**(10,295)**

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

Amit Bapna
Director
DIN : 00008443

Place : Mumbai
Date : April 30, 2019

Manish Dhanuka
Chief Financial Officer

Ashish Turakhia
Company Secretary
Membership No. F3371

NOTES

1 Corporate Information

Reliance Securities Limited is a public limited company incorporated under the provisions of the Companies Act applicable in India on 17 June 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 the Securities and Exchange Board of India (SEBI) to operate as stock 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 51 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.
• Defined benefit plans – plan assets measured at fair value.
• Share based payments

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 45.** 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 46**, 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 xx.

(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.

Market linked debentures (MLDs)

The company has issued certain non-convertible debentures, the rate of interest on which is linked to performance of specified indices over the period of the debentures. The company has opted to designate the entire hybrid contract at FVTPL as the embedded derivative significantly modifies the cash flows that otherwise would be required by the contract. Further, the embedded derivative is not closely related to the financial liability host contract. The company hedges its interest rate risk on MLD by taking positions in future & options based on specified indices. Any gain / loss on these hedge positions is recognized in Statement of Profit and Loss.

(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 simultaneous receives and 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 satisfied. These 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.

(iv) Infrastructure and resource management fees

Infrastructure and resource management service fees are recognized on accrual basis as per agreements.

(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**
Leasehold Improvements	Primary period of lease
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
Membership Rights of Bombay Stock Exchange	10 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 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is de-recognized.

Investment properties are depreciated using the straight-line method over their estimated useful lives. The useful life has been considered as 60 years as prescribed in Part C of Schedule II to the Companies Act, 2013.

2.14 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.

2.15 Inventories

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

2.16 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.

2.17 Provisions, Contingent Liabilities and Contingent Asset

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.

2.18 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.

Phantom Shares

As a long-term incentive plan to employees, the Company has initiated Phantom Stock Option Plan which are cash settlement rights where the employees are entitled to get cash compensation based on agreed formulae. The employees are entitled to receive cash payment equivalent to appreciation in the value over the defined base price of the shares. The present value of the obligation under such plan is determined based on actuarial valuation.

2.19 Dividends

Provision is made for the amount of any dividend accrue , being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

For all equity instruments (in the nature of equity) measured at amortized cost, interest expenses (refer note 26A) is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments over the expected life of the financial instrument. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument. Interest expense is included in finance cost in the statement of profit and loss

2.20 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 40).

(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.

2.21 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 Lakh & 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) Estimation of deferred tax -Note 12
b) Estimated fair value of unlisted entities-Note 45
c) Estimation of defined benefit obligation-Note 49
d) Measurement of fair values and Expected Credit Loss (ECL)-Note 46
e) Measurement of obligation on phantom stock option - Note 50

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

(₹ in lakh)

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	5,221	5,357	3,280
Total	**5,221**	**5,357**	**3,280**

Note 4 - Bank balance other than cash and cash equivalents 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')	8,329	15,471	16,019
- Held as margin money (refer note 'b')	15,652	16,746	10,529
- Held as security with Directorate of Enforcement (refer note 'c')	113	113	113
- Others	2,468	60	27
Total	**26,562**	**32,390**	**26,688**

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

(a) Rs. 8,329 Lakh (March 31, 2018 - Rs.15,471 Lakh and April 1, 2017 - Rs. 16,019 Lakh) kept as deposit with bank for issuing of Bank Guarantee to meet the margin requirement at the stock exchanges

(b) Rs. 15,652 Lakh (March 31, 2018 - Rs.16,746 Lakh and April 1, 2017 - Rs. 10,529 Lakh) as collateral security deposit in favour of National Stock Exchange of India Limited placed as margin.

(c) Rs. 113 Lakh (March 31, 2018 - Rs.113 Lakh and April 1, 2017 - Rs. 113 Lakh) kept as deposit with Directorate of Enforcement.

Note 5 - Derivative financial instruments

The company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the company has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as assets together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

Particulars	Notional amounts	Fair value of Assets
Index linked derivatives		
As at March 31, 2019		
Options Purchased	393	1
Total	**393**	**1**
As at March 31, 2018		
Options Purchased	-	-
Total	**-**	**-**
As at April 01, 2017		
Options Purchased	-	-
Total	**-**	**-**

The company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are Market linked debentures.

The company's risk management strategy and how it is applied to manage risk are explained in Note 46

(₹ in lakh)

Note 6 - Receivables

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i) Trade receivables			
(a) Secured			
Considered good	11,091	16,329	23,070
(b) Unsecured			
Considered good	1,099	869	202
Considered doubtful	2,295	1,774	317
Less : Impairment loss allowance	(2,295)	(1,774)	(317)
Total (i)	12,190	17,198	23,272
(ii) Other receivables			
Unsecured considered good			
- Receivable - Related parties	459	-	-
- Receivable - Others	722	461	-
- Receivable from key managerial person (refer note no. 38)	10	20	-
Total (ii)	1,191	481	-
Total (i+ii)	**13,381**	**17,679**	**23,272**

Reconciliation of impairment allowance on trade and other receivables:

Impairment allowance measured as per general approach	Amount
Impairment allowance as at April 1, 2017	317
Add/(less): changes during the financial year 2017-2018	1,457
Impairment allowance as at March 31, 2018	1,774
Add/(less): changes during the year	521
Impairment allowance as at March 31, 2019	**2,295**

Reliance Securities Limited
Notes to the financial statements (₹ in lakh)

Note 7 - Loans

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
At amortised cost			
(i) Inter corporate deposits	7,500	-	-
(ii) SEBI Margin Trade Funding	6,455	12,845	-
Total (A) - Gross	**13,955**	**12,845**	**-**
(Less): Impairment loss allowance	-	-	-
Total (A) - Net	**13,955**	**12,845**	**-**
B			
Secured by tangible assets	6,455	12,845	-
Unsecured	7,500	-	-
(Less): Impairment loss allowance	-	-	-
Total (B) - Net	**13,955**	**12,845**	**-**
C			
(i) Public sector	-	-	-
(ii) Others			
Related parties	-	-	-
Individual	5,726	9,141	-
HUF	59	81	-
Firm	-	-	-
Company	8,170	3,623	-
Total (C) - Gross	13,955	12,845	-
(Less): Impairment loss allowance	-	-	-
Total (C) - Net	**13,955**	**12,845**	**-**

Reliance Securities Limited
Notes to the financial statements

(₹ in lakh)

Note 7.1 - Inter corporate deposit

Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the company's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are disclosed in note 46.

Internal rating grade	As at March 31, 2019			Total	As at March 31, 2018			Total	As at April 1, 2017			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Performing												
High grade	7,500	-	-	7,500	-	-	-	-	-	-	-	-
Non- performing												
Individually impaired	-	-	-	-	-	-	-	-	-	-	-	-
Total	**7,500**	**-**	**-**	**7,500**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Analysis of changes in the gross carrying amount of inter corporate deposits

Particulars	As at March 31, 2019			Total	As at March 31, 2018			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	-	-	-	-	-	-	-	-
New assets originated or purchased	7,500	-	-	7,500	-	-	-	-
Assets derecognised or repaid	-	-	-	-	-	-	-	-
Closing balance	**7,500**	**-**	**-**	**7,500**	**-**	**-**	**-**	**-**

Reconciliation of ECL balance

Particulars	As at March 31, 2019			Total	As at March 31, 2018			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	-	-	-	-	-	-	-	-
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid	-	-	-	-	-	-	-	-
Closing balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(₹ in lakh)

Note 7.2 - SEBI Margin Trade Funding
Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the company's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are disclosed in note 46.

Internal rating grade	As at March 31, 2019			Total	As at March 31, 2018			Total	As at April 1, 2017			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Performing												
High grade	6,455	-	-	6,455	12,845	-	-	12,845	-	-	-	-
Standard grade	-	-	-	-	-	-	-	-	-	-	-	-
Sub-standard grade	-	-	-	-	-	-	-	-	-	-	-	-
Past due but not impaired	-	-	-	-	-	-	-	-	-	-	-	-
Non- performing												
Individually impaired	-	-	-	-	-	-	-	-	-	-	-	-
Total	**6,455**	**-**	**-**	**6,455**	**12,845**	**-**	**-**	**12,845**	**-**	**-**	**-**	**-**

Analysis of changes in the gross carrying amount of term loans

Particulars	As at March 31, 2019			Total	As at March 31, 2018			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	12,845	-	-	12,845	-	-	-	-
New assets originated or purchased	3,963	-	-	3,963	12,845	-	-	12,845
Assets derecognised or repaid	(10,353)	-	-	(10,353)	-	-	-	-
Closing balance	**6,455**	**-**	**-**	**6,455**	**12,845**	**-**	**-**	**12,845**

Reconciliation of ECL balance

Particulars	As at March 31, 2019			Total	As at March 31, 2018			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	-	-	-	-	-	-	-	-
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid	-	-	-	-	-	-	-	-
Closing balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(₹ in lakh)

Note 8 - Investments

Particulars	At amortised cost	At fair value through			Total
		Other comprehensive income	Profit and loss	Subtotal	
As at March 31, 2019					
Investment in equity shares (Unquoted)					
Equity shares of Reliance Money Infrastructure Limited of ₹ 10 each.	-	-	-	-	-
Investment in mutual fund (Quoted) - pledged with stock exchanges					
19,54,268 Units of Reliance credit risk fund - direct growth plan growth option	-	-	531	-	531
36,66,315 Units of Aditya birla sun life credit risk fund - direct growth plan	-	-	520	-	520
12,730 Units of Franklin India short term income plan - retail plan - direct - growth	-	-	533	-	533
26,90,443 Units of Axis credit risk fund - direct plan	-	-	515	-	515
32,19,761 Units of Kotak medium term fund - direct growth	-	-	514	-	514
33,59,537 Units of Axis strategic bond fund - direct plan - growth	-	-	514	-	514
Total (A) - Gross	**-**	**-**	**3,127**	**-**	**3,127**
(Less): Impairment loss allowance	-		-	-	-
Total (A) - Net	**-**	**-**	**3,127**	**-**	**3,127**
Investments outside India	-	-	-	-	-
Investments in India	-	-	3,127	-	3,127
Total (B) - Gross	**-**	**-**	**3,127**	**-**	**3,127**
(Less): Impairment loss allowance	-	-	-	-	-
Total (B) - Net	**-**	**-**	**3,127**	**-**	**3,127**

Particulars	At amortised cost	At fair value through			Total
		Other comprehensive income	Profit and loss	Subtotal	
As at March 31, 2018					
Investment in equity shares (Unquoted)					
Equity shares of Reliance Money Infrastructure Limited of ₹ 10 each.	-	-	-	-	-
Investment in debenture (Unquoted)					
3,50,000, 0.001% Redeemable Optionally Convertible Debenture of Mansoon Studios Private Limited of ₹ 1000 each	-	-	3,500	-	3,500
Total (A) - Gross	**-**	**-**	**3,500**	**-**	**3,500**
(Less): Impairment loss allowance	-	-	-	-	-
Total (A) - Net	**-**	**-**	**3,500**	**-**	**3,500**
Investments outside India	-	-	-	-	-
Investments in India	-	-	3,500	-	3,500
Total (B) - Gross	**-**	**-**	**3,500**	**-**	**3,500**
(Less): Impairment loss allowance	-	-	-	-	-
Total (B) - Net	**-**	**-**	**3,500**	**-**	**3,500**

Particulars	At amortised cost	At fair value through			Total
		Other comprehensive income	Profit and loss	Subtotal	
As at April 1, 2017					
Investment in equity shares (Unquoted)					
Equity shares of Reliance Money Infrastructure Limited of ₹ 10 each.	-	-	-	-	-
Investment in preference shares (Unquoted)					
3,50,00,000, 12% Preference shares of Reliance Money Solutions Private Limited of ₹ 10 each.	-	-	3,500	-	3,500
Total (A) - Gross	**-**	**-**	**3,500**	**-**	**3,500**
(Less): Impairment loss allowance	-		-	-	-
Total (A) - Net	**-**	**-**	**3,500**	**-**	**3,500**
Investments outside India					
Investments in India	-	-	3,500	-	3,500
Total (B) - Gross	**-**	**-**	**3,500**	**-**	**3,500**
(Less): Impairment loss allowance	-	-	-	-	-
Total (B) - Net	**-**	**-**	**3,500**	**-**	**3,500**

More information regarding the valuation methodologies are disclosed under Note 45.

Reliance Securities Limited
Notes to the financial statements

(₹ in lakh)

Note 8.1 - Mutual fund units measured at fair value through profit & loss

Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk per based on the company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the company's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 46.

Internal rating grade	As at March 31, 2019			Total	As at March 31, 2018			Total	As at April 1, 2017			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Performing												
High grade	3,127	-	-	3,127	-	-	-	-	-	-	-	-
Non- performing												
Individually impaired	-	-	-	-	-	-	-	-	-	-	-	-
Total	**3,127**	**-**	**-**	**3,127**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

An analysis of changes in the gross carrying amount and the corresponding ECLs is, as follows

Particulars	Year ended March 31, 2019			Total	Year ended March 31, 2018			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	-	-	-	-	-	-	-	-
New assets originated or purchased	3,127	-	-	3,127	-	-	-	-
Assets derecognised or repaid	-	-	-	-	-	-	-	-
Closing balance	**3,127**	**-**	**-**	**3,127**	**-**	**-**	**-**	**-**

Reconciliation of ECL balance

Particulars	Year ended March 31, 2019			Total	Year ended March 31, 2018			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	-	-	-	-	-	-	-	-
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid	-	-	-	-	-	-	-	-
Closing balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Reliance Securities Limited
Notes to the financial statements

(₹ in lakh)

Note 8.2 - Debt instruments measured at fair value through profit & loss

Credit quality of assets
The table below shows the credit quality and the maximum exposure to credit risk per based on the company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the company's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 46.

Internal rating grade	As at March 31, 2019			Total	As at March 31, 2018			Total	As at April 1, 2017			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Performing												
High grade	-	-	-	-	3,500	-	-	3,500	-	-	-	-
Non- performing												
Individually impaired	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**3,500**	**-**	**-**	**3,500**	**-**	**-**	**-**	**-**

An analysis of changes in the gross carrying amount and the corresponding ECLs is, as follows

Particulars	Year ended March 31, 2019			Total	Year ended March 31, 2018			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	3,500	-	-	3,500	-	-	-	-
New assets originated or purchased	-	-	-	-	3,500	-	-	3,500
Assets derecognised or repaid	(3,500)	-	-	(3,500)	-	-	-	-
Closing balance	**-**	**-**	**-**	**-**	**3,500**	**-**	**-**	**3,500**

Reconciliation of ECL balance

Particulars	Year ended March 31, 2019			Total	Year ended March 31, 2018			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	-	-	-	-	-	-	-	-
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid	-	-	-	-	-	-	-	-
Closing balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(₹ in lakh)

Note 8.3 - Equity instruments measured at fair value through statement of profit and loss

Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk per based on the company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the company's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 46.

Internal rating grade	As at March 31, 2019			Total	As at March 31, 2018			Total	As at April 1, 2017			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Performing												
High grade	-	-	-	-	-	-	-	-	-	-	-	-
Non- performing												
Individually impaired	-	-	19	19	-	-	19	19	-	-	19	19
Total	**-**	**-**	**19**	**19**	**-**	**-**	**19**	**19**	**-**	**-**	**19**	**19**

An analysis of changes in the gross carrying amount and the corresponding ECLs is, as follows

Particulars	Year ended March 31, 2019			Total	Year ended March 31, 2018			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	-	-	19	19	-	-	19	19
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid	-	-	-	-	-	-	-	-
Closing balance	**-**	**-**	**19**	**19**	**-**	**-**	**19**	**19**

Reconciliation of ECL balance

Particulars	Year ended March 31, 2019			Total	Year ended March 31, 2018			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	-	-	(19)	(19)	-	-	(19)	(19)
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid	-	-	-	-	-	-	-	-
Closing balance	**-**	**-**	**(19)**	**(19)**	**-**	**-**	**(19)**	**(19)**

(₹ in lakh)

Note 8.4 - Preference shares measured at fair value through statement of profit and loss

Credit quality of assets
The table below shows the credit quality and the maximum exposure to credit risk per based on the company’s internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the company’s internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 46.

Internal rating grade	As at March 31, 2019			Total	As at March 31, 2018			Total	As at April 1, 2017			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Performing												
High grade	-	-	-	-	-	-	-	-	3,500	-	-	3,500
Non- performing												
Individually impaired	-	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,500**	**-**	**-**	**3,500**

An analysis of changes in the gross carrying amount and the corresponding ECLs is, as follows

Particulars	Year ended March 31, 2019			Total	Year ended March 31, 2018			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	-	-	-	-	3,500	-	-	3,500
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid	-	-	-	-	(3,500)	-	-	(3,500)
Closing balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Reconciliation of ECL balance

Particulars	Year ended March 31, 2019			Total	Year ended March 31, 2018			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Opening balance	-	-	-	-	-	-	-	-
New assets originated or purchased	-	-	-	-	-	-	-	-
Assets derecognised or repaid	-	-	-	-	-	-	-	-
Closing balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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(₹ in lakh)

Note 9 - Other financial assets

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Deposits			
- Considered good	1,021	2,133	1,465
- Considered doubtful	-	2	2
Less: provision for doubtful advances	-	(2)	(2)
Interest accrued on Fixed Deposit	367	358	300
Interest accrued on SEBI MTF loan	39	409	-
Total	**1,427**	**2,900**	**1,765**

₹ in lakh except face value

Note 10 - Inventories

Particulars	**Face value**	**As at March 31, 2019**		**As at March 31, 2018**		**As at April 01, 2017**	
		Quantity	**Amount**	**Quantity**	**Amount**	**Quantity**	**Amount**
- Equity instruments							
ADANI POWER LTD	10	10,000	5	-	-	-	-
HINDUSTAN UNILEVER	1	275	5	-	-	-	-
INFOSYS LIMITED	5	670	5	-	-	-	-
NAGARJUNA CONSTRUCTION	2	5,400	6	-	-	-	-
HCL TECHNOLOGIES LTD	2	-	-	-	-	7,295	64
SINTEX INDUSTRIES LTD	1	-	-	-	-	28,500	30
Total (A)			**21**		**-**		**94**
- Units in REITs (Real Estate Investment Trust)							
INDIA GRID TRUST	5,000	-	-	100	5	-	-
IRB InvIT Fund	5,000	-	-	102	4	-	-
Total (B)			**-**		**9**		**-**
Stock in Currency			-		-		17
Total (C)			**-**		**-**		**17**
- Bonds/ Debenture instruments							
RELCAP CNXLNK 290118	1,00,000	-	-	-	-	10	11
REL CAP CNX 18052018	1,00,000	-	-	-	-	30	32
RELCAP NFTIND 100417	1,00,000	-	-	-	-	10	14
RELCAP NFTY 50 18042019	1,00,000	-	-	-	-	40	46
RELCAP NFTLNK 070417	1,00,000	-	-	-	-	25	40
REL CAP NFTLNK 07AP17	1,00,000	-	-	-	-	10	10
RELCAP NFTLNK 080517	1,00,000	-	-	-	-	50	80
RELCAP NFTLNK 070417	1,00,000	-	-	-	-	75	40
RELCAP NFTLNK 200417	1,00,000	-	-	-	-	40	106
RELCAP NFTLNK 310517	1,00,000	-	-	-	-	125	15
RELCAP NFTIND 050717	1,00,000	-	-	-	-	100	66
RELCAP NFTIND 070917	1,00,000	-	-	-	-	10	45
REL HOME CNX 310118	1,00,000	-	-	-	-	5	29
RELCAP NFTIND 030417	1,00,000	-	-	-	-	200	344
RELCAP NFTIND 070417	1,00,000	-	-	-	-	125	176
RFL NFTY50 28052019	1,00,000	-	-	-	-	100	110
RFL NFTY50 30112018	1,00,000	-	-	-	-	100	105
RFL B-161028	1,00,000	35	46	-	-	-	-
RFL B-161129-IV	1,00,000	25	33	-	-	-	-
RFL B-170411	1,00,000	31	38	-	-	-	-
RFL-NIFTY-17-4-23	1,00,000	300	300	-	-	-	-
RFL21	1,00,000	50	50	-	-	-	-
RELCAP B-264 III	1,00,000	-	-	10	12	-	-
RELCAP B-266 I	1,00,000	-	-	10	12	-	-
RELCAP B-320 A-I	1,00,000	40	71	40	60	-	-
RELCAP B-337 A	1,00,000	30	52	30	46	-	-
RELCAP B-345 I	1,00,000	28	39	-	-	-	-
RELCAP B-348 A	1,00,000	25	43	25	41	-	-
RELCAP B-411	1,00,000	75	67	75	64	-	-
RHFL M-20 - I	5,00,000	-	-	25	160	-	-
RHFL M-22-III	5,00,000	-	-	10	64	-	-
ECL FINANCE 12.00 26042020	1,000	45	0	45	0	45	0
ANDHRABK 10.99 PERPT	10,00,000	1	11	1	11	1	11
CHOLAMANDALAM INV. AND FIN. 12.50	5,00,000	-	-	-	-	2	11
UCO BANK 11.70	10,00,000	-	-	2	21	2	21
IDBIBANK 10.95 PERP	10,00,000	-	-	5	51	17	173
IDBIBANK 10.75 PERP	10,00,000	-	-	1	10	3	32
TATA CAP 7.50	1,000	-	-	-	-	1,000	11
L&TINFR 8.30	1,000	-	-	3,171	54	-	-
Total (D)			**750**		**606**		**1,528**
Total (A+B+C+D)			**771**		**615**		**1,639**
(i) Overseas Investments			-		-		-
(ii) Investments in India			771		615		1,639
Total (A+B+C+D)			**771**		**615**		**1,639**
Less: Allowance for Impairment loss			-		-		-
Total			**771**		**615**		**1,639**

(₹ in lakh)

Note 11 - Current tax assets (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 ₹ 955 Lakh - March 31, 2019, ₹ 657 Lakh - March 31, 2018, ₹ 1,142 Lakh - April 01, 2017)	592	526	639
Total	**592**	**526**	**639**

Note 12 - Deferred tax assets (net)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Minimum Alternate Tax Credit	844	252	-
Total	**844**	**252**	**-**

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(₹ in lakh)

Note 13 - Investment property

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Gross carrying amount			
Opening gross carrying amount / Deemed cost	14	-	-
Additions	-	14	-
Closing gross carrying amount	**14**	**14**	**-**
Accumulated depreciation			
Opening accumulated depreciation	(0)	-	-
Depreciation charge	(0)	(0)	-
Closing accumulated depreciation	**(0)**	**(0)**	**-**
Net carrying amount	**14**	**14**	**-**
Fair value of investment property	**14**	**15**	**-**

Note:
Investment property kept as collateral security against the market linked debentures (MLDs) outstanding as on that date.

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Note 14 - Property, plant and equipment (₹ in lakh)

Particulars	Leasehold Improvements	Office equipments	Furniture and fixtures	Data processing equipments	Total
Year ended March 31, 2019					
Gross block as at April 01 2018	**762**	**258**	**23**	**1,319**	**2,362**
Additions	160	50	11	388	**608**
Disposals	(86)	(83)	(7)	(203)	**(379)**
As at March 31, 2019	**836**	**225**	**27**	**1,504**	**2,591**
Accumulated depreciation as at April 01 2018	**(471)**	**(154)**	**(18)**	**(868)**	**(1,511)**
Depreciation charge for the year	(193)	(53)	(7)	(239)	**(491)**
Disposals	83	69	6	203	**361**
As at March 31, 2019	**(581)**	**(138)**	**(19)**	**(904)**	**(1,641)**
Net carrying amount as at March 31, 2019	**255**	**87**	**8**	**600**	**950**

Particulars	Leasehold Improvements	Office equipments	Furniture and fixtures	Data processing equipments	Total
Year ended March 31, 2018					
Gross block as at April 01 2017	**925**	**272**	**27**	**1,123**	**2,347**
Additions	107	37	4	314	**461**
Disposals	(269)	(51)	(8)	(117)	**(445)**
As at March 31, 2018	**763**	**258**	**23**	**1,320**	**2,363**
Accumulated depreciation as at April 01 2017	**(561)**	**(156)**	**(22)**	**(759)**	**(1,497)**
Depreciation charge for the year	(175)	(48)	(4)	(224)	**(452)**
Disposals	265	51	8	116	**439**
As at March 31, 2018	**(471)**	**(153)**	**(18)**	**(867)**	**(1,510)**
Net carrying amount as at March 31, 2018	**292**	**105**	**5**	**453**	**853**

Note 15 - Intangible assets

(₹ in lakh)

Particulars	Membership rights of Bombay Stock Exchange Limited	Software	Total
Year ended March 31, 2019			
Gross block as at April 01 2018	**75**	**2,354**	**2,429**
Additions	-	141	**141**
Disposals	-	(13)	**(13)**
As at March 31, 2019	**75**	**2,482**	**2,557**
Accumulated amortisation as at April 01 2018	**(75)**	**(1,324)**	**(1,399)**
Amortisation charge for the year	-	(291)	**(291)**
Impairment loss for the year	-	8	**8**
Disposals	-	-	**-**
As at March 31, 2019	**(75)**	**(1,607)**	**(1,682)**
Net carrying amount as at March 31, 2019	**-**	**875**	**875**

Particulars	Membership rights of Bombay Stock Exchange Limited	Software	Total
Year ended March 31, 2018			
Gross block as at April 01 2017	**75**	**1,697**	**1,772**
Additions	-	657	**657**
Disposals	-	-	**-**
As at March 31, 2018	**75**	**2,354**	**2,429**
Accumulated amortisation as at April 01 2017	**(75)**	**(1,115)**	**(1,190)**
Amortisation charge for the year	-	(210)	**(210)**
Impairment loss for the year	-	-	**-**
Disposals	-	-	**-**
As at March 31, 2018	**(75)**	**(1,325)**	**(1,400)**
Net carrying amount as at March 31, 2018	**-**	**1,029**	**1,029**

(₹ in lakh)

Note 16 - Other non-financial assets

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Capital advances - considered good	134	91	440
Advance to employees	-	-	6
Service tax paid under protest			
- Considered good	-	154	355
- Considered doubtful	961	961	961
Less: Provision for doubtful	(961)	(961)	(961)
Advance to vendors			
- Considered good	104	118	182
- Considered doubtful	18	28	40
Less: provision for doubtful advances	(18)	(28)	(40)
Prepaid expenses	365	380	375
Other Receivable			
- Considered good	74	20	61
- Considered doubtful	10	132	69
Less: provision for doubtful	(10)	(132)	(69)
Total	**677**	**763**	**1,419**

Note 17 - Derivative financial instruments (₹ in lakh)

The company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the company has elected not to apply hedge accounting requirements.

The table below shows the fair values of derivative financial instruments recorded as liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

Particulars	**Notional amounts - Liabilities**	**Fair value of liabilities**
As at March 31, 2019		
Premium received on options	28,867	2,784
Total	**28,867**	**2,784**
As at March 31, 2018		
Premium received on options	-	-
Total	**-**	**-**
As at April 1, 2017		
Premium received on options	3,797	12
Total	**3,797**	**12**

The company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are Market linked debentures.

The company's risk management strategy and how it is applied to manage risk are explained in Note 46

Financial statements for the year ended March 31, 2019 (₹ in lakh)

Note 18A - Trade Payables

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Total outstanding dues of micro enterprises and small enterprises	-	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises			
- Due to margin money deposits	25,230	29,344	27,305
- Due to others	299	288	108
Total	**25,529**	**29,632**	**27,413**

Note 18B - Other Payables

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Total outstanding dues of micro enterprises and small enterprises	-	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
Total	**-**	**-**	**-**

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 19 - Debt Securities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
At fair value through profit and loss - Secured			
- Market Linked Debenture (NCDs)	10,933	2,621	-
Total (A)	**10,933**	**2,621**	**-**
Debt securities in India	10,933	2,621	-
Debt securities outside India	-	-	-
Total (B)	**10,933**	**2,621**	**-**

Security clause in respect to debentures

NCDs amounting to Rs 10,933 Lakh (March 31, 2018 - 2,621 Lakh) are secured by way of first ranking mortgage over the Immovable property and second charge on the present and future book debts and receivables hypothecated in favour to Banks towards Working Capital facility of the company as specifically mentioned in the Trust deed and the asset cover thereof exceeds hundred per cent of the principal amount of the said debentures.

Maturity profile of Non Convertible Debentures are as set out below:

Series	2020-21	2021-22	2022-23	2023-24	2026-27	Total
RC/180326	136	-	-	-	-	136
RC/180326	626	-	-	-	-	626
RC/180326	735	-	-	-	-	735
RC/180326/2	459	-	-	-	-	459
RC/180326/3	535	-	-	-	-	535
RC/180531	212	-	-	-	-	212
RC/180726	192	-	-	-	-	192
RC/180226	-	877	-	-	-	877
RC/180226 - Tranche 2	-	272	-	-	-	272
RC/180226 - Tranche 3	-	107	-	-	-	107
RC/180226 - Tranche 4	-	110	-	-	-	110
RC/180226/4	-	145	-	-	-	145
RC/180430	-	-	296	-	-	296
RC/180705	-	-	681	-	-	681
RC/180731	-	-	1,398	-	-	1,398
RC/180731/2	-	-	311	-	-	311
RC/180806	-	-	838	-	-	838
RC/180823	-	-	660	-	-	660
RC/180731/3	-	-	208	-	-	208
RC190319	-	-	102	-	-	102
RC/181214	-	-	-	206	-	206
RC/181221	-	-	-	538	-	538
RC/181214	-	-	-	206	-	206
RC181214/3	-	-	-	206	-	206
RC181214/4	-	-	-	103	-	103
RC181214/5	-	-	-	206	-	206
RC181214/6	-	-	-	309	-	309
RC190325	-	-	-	128	-	128
RC190329	-	-	-	-	131	131
TOTAL	**2 895**	**1 511**	**4 494**	**1 902**	**131**	**10 933**

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Note 20 - Borrowings (Other than Debt Securities) (₹ in lakh)

Particulars	Nature (Secured/ unsecured)	Notes	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
At amortised cost					
Inter Corporate Deposit					
- From related parties	Unsecured	i	7,500	6,500	-
- From others	Unsecured		-	1,150	-
Term loan from bank	Secured	ii	500	9,500	7,000
Bank overdraft	Secured	iii	-	3,775	1,992
Loan against shares (LAS)	Secured	iv	-	2,500	-
Commercial paper- Unsecured	Unsecured	v	803	3,072	9,933
Total (A)			**8,803**	**26,497**	**18,925**
Borrowings in India			8,803	26,497	18,925
Borrowings outside India			-	-	-
Total (B) to tally with (A)			**8,803**	**26,497**	**18,925**

Note

(i) Inter corporate deposit from related party - Reliance Capital Limited of Rs. 7,500 Lakh (March 31, 2018 & April 01, 2017 - Nil) carrrying interest rate of 12% p.a & Reliance Nippon Life Assets Management Limited of Rs. Nil (March 31, 2018 - 6,500 Lakh & April 01, 2017 - Nil) carrying interest rate of 12% p.a. ICD's are repayable on demand.

(ii) Term Loan is secured against fixed deposits. The rate of interest on term loan varies from 8.50% to 9.50% and are repayable at maturity ranging up to 12 months.

(iii) Bank overdraft is secured against book debt. The rate of interest on book overdraft varies from 10.30% to 11.20% and are repayable at maturity ranging up to 12 months.

(iv) LAS is secured against shares of clients who have debit balances due to the company. The rate of interest on such facility charged 10.50% fixed monthly payable.

iv) Net of unamortised discount of ₹ 7 Lakh (March 31, 2018 ₹ 48 Lakh, April 01, 2017 ₹ 67 Lakh). Maximum outstanding amount during the year was ₹ 4,810 Lakh (March 31, 2018 ₹ 15,000 Lakh, April 01, 2017 10,000 Lakh)

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Note 21 - Subordinated Liabilities (₹ in lakh)

Particulars	Nature (Secured/ unsecured)	Notes	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
At amortised cost					
10% Cumulative Redeemable Preference Shares of ₹ 10 each fully paid up (CRPS)	Unsecured	i	-	-	12,500
12% Non Convertible Cumulative Redeemable Preference Shares of ₹ 10 each fully paid up (NCCRPS)	Unsecured	ii	-	-	2,500
0 % Non-Convertible Non-Cumulative Compulsorily Redeemable Preference Shares of ₹ 10 each (NCNCCRPS)	Unsecured	iii	-	-	2,500
Total (A)			**-**	**-**	**17,500**
Borrowings in India			-	-	17,500
Borrowings outside India			-	-	-
Total (B) to tally with (A)			**-**	**-**	**17,500**

Note
Terms of preference shares

i) 10% Cumulative Redeemable Preference Shares (CRPS) is redeemable at par after expiry of 15 years from the date of allotment as give below. However, the company and the CRPS holder shall have a right to redeem the CRPS at par before the redemption date as the board of directors may deem fit and the company obtaining the requisite approvals for the same.

Description of the Preference shares	No. of Preference Shares	Date of Allotment
10% Cumulative Redeemable Preference Shares (CRPS)	610	26-Mar-07
10% Cumulative Redeemable Preference Shares (CRPS - I)	140	21-Aug-07
10% Cumulative Redeemable Preference Shares (CRPS - II)	500	31-Oct-07

ii) - a) 12% Non Convertible Cumulative Redeemable Preference Shares (NCCRPS) shall be redeemed at the end of 10 years from the date of allotment of shares. The option of the holder, the preference shares can be redeemed at issue price, at any time after the date of allotment by giving not less than 10 days advance notice to the company. The NCCRPS holders shall be entitled to such rights and privileges as are available to them under the Companies Act, 2013

b) The NCNCCRPS holders shall be entitled to such rights and privileges as are available to them under the Companies Act, 2013

iii) - a) The 0% NCNCCRPS shall be redeemed at the end of 5 years from the date of allotment of shares. Each NCNCCRPS shall be redeemed at an amount calculated to yield a return of 12.00% p.a. with from the date of receipt of funds up to the date of redemption.

b) The NCNCCRPS holders shall be entitled to such rights and privileges as are available to them under the Companies Act, 2013

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(₹ in lakh)

Note 22 - Other financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Deposits received from sub brokers	1,007	1,015	990
Interest accrued & due	47	128	-
Interest accrued & not due	4	63	47
Dividend payable on 0 % Compulsorily Convertible Preference Shares of ₹ 10 each	499	345	396
Total	**1,557**	**1,551**	**1,433**

Note 23 - Provisions

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for gratuity	112	92	100
Provision for leave encashment	-	34	34
Provision for Phantom stock options	246	208	66
Total	**358**	**334**	**200**

Note 24 - Other non-financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for expenses	1,639	2,167	1,625
Income received in advance	2,903	3,676	3,944
Statutory liabilities	597	655	474
Book overdraft	-	-	4
Payable to employees	56	46	-
Others	33	621	347
Total	**5,228**	**7,165**	**6,394**

Reconciliation of provisions other than employee payable

	Provision for expenses	Provision for Phantom Stock Options
As at April 1, 2017	1,625	66
Add: Additions during the year	2,167	142
Less: Utilised during the year	(1,625)	-
As at March 31, 2018	2,167	208
Add: Additions during the year	1,639	38
Less: Utilised during the year	(2,167)	-
As at March 31, 2019	**1,639**	**246**

₹ in lakh

Note 25 - Equity Share Capital

Particulars	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	22,00,00,000	22,000	22,00,00,000	22,000	5,00,00,000	5,000
Preference Shares of ₹ 10 each	18,00,00,000	18,000	18,00,00,000	18,000	18,00,00,000	18,000
Total	**40,00,00,000**	**40,000**	**40,00,00,000**	**40,000**	**23,00,00,000**	**23,000**

Authorised Share Capital increased from ₹ 23,000 Lakh divided into 500 Lakh Equity Shares of ₹ 10/- each and 1,800 Lakh Preference Shares of ₹ 10/- each to ₹ 40,000 Lakh divided into 2,200 Lakh equity shares of ₹ 10/- each and 1,800 Lakh preference shares of ₹ 10/- each at the Extra-Ordinary General Meeting of March 19, 2018.

ISSUED, SUBSCRIBED AND PAID UP	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
Equity Shares of ₹ 10 each fully paid up	21,00,00,000	21,000	21,00,00,000	21,000	5,00,00,000	5,000
Total	**21,00,00,000**	**21,000**	**21,00,00,000**	**21,000**	**5,00,00,000**	**5,000**

Note:
1. Terms and rights attached to equity 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 entitled 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 and April 01, 2017 is set out below;

Particulars	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
Equity Shares*						
Number of shares at the beginning	21,00,00,000	21,000	5,00,00,000	5,000	5,00,00,000	5,000
Add : Issued during the year	-	-	16,00,00,000	16,000	-	-
Number of shares at the end	**21,00,00,000**	**21,000**	**21,00,00,000**	**21,000**	**5,00,00,000**	**5,000**

*The company has allotted 1,600 Lakh , Equity Shares on right basis to Reliance Capital Limited on March 19, 2018, out of the proceeds of the issue, 250 Lakh 12 % Non-Convertible Cumulative Redeemable Preference Shares & 1,250 Lakh , 10% Cumulative Redeemable Preference Shares of ₹ 10 each fully paid up, which were allotted to Reliance Capital Limited have been redeemed.

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 and April 01, 2017 is set out below;

Equity shares	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. of shares	%	No. of shares	%	No. of shares	%
Reliance Capital Limited (the holding company) and its nominees	21,00,00,000	100%	21,00,00,000	100%	5,00,00,000	100%

4. During the financial year 2015-16, pursuant to approved by the board of directors on 2nd March 2016, a sum of ₹ 2,500 Lakh was capitalized from Capital Redemption Reserve account for issuance of 250 Lakh bonus shares of ₹ 10 each fully paid-up and these bonus shares were allotted by the Company on 30th March 2016. The said bonus shares were issued in the proportion of 1 equity share for every 1 equity share of ₹ 10 each held by the equity shareholders of the Company on 2nd March 2016 without payment being received in cash.

5. During the financial year 2016-17, pursuant to the Scheme of Amalgamation of Reliance Money Express Limited with the Company, the company has allotted 250 Lakh ,12 % Non-Convertible Cumulative Redeemable Preference Shares to Reliance Capital Limited on March 08, 2017 as fully paid up without payment being received in cash.

Financial statements for the year ended March 31, 2019 ₹ in lakh

Note 26A - Instruments entirely equity in nature

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
0% Compulsorily Convertible Preference Shares of Rs. 10 each	2,500	2,500	-
Total	**2,500**	**2,500**	**-**

Note:
1. Terms and Rights attached to 0% Compulsorily Convertible Preference Shares (CCPS)

(i) The CCPS holders shall be entitled to such rights and privileges as are available to them under the Companies Act, 2013

(ii) The CCPS shall be compulsorily convertible into equity shares of the Company 10 years from the date of such variation at such price and on such terms and conditions as may be mutually agreed between the Company and the preference shareholder at the time of such conversion.

(iii) The yield payable on the CCPS modified from 12% to 6% p.a.(six per cent per annum) with effect from the date of allotment of the 0% Non- Convertible Non-Cumulative Compulsorily Redeemable Preference Shares (NCNCCRPS).

(iv) The conversion ratio of the CCPS shall be 2 fully paid equity shares of the Company for every 5 CCPS held. During the tenor of the CCPS, the Company has the option to convert the same (along with guaranteed yield accrued thereon till date) at any time into fully paid equity shares of the Company in the conversion ratio mentioned above.

(v) To the extent the Company has not exercised its option to convert the CCPS into equity shares during the tenor of the CCPS, and further if the Company has also not exercised its redemption option as stated below, the CCPS shall be compulsorily converted into fully paid equity shares (along with guaranteed yield accrued thereon till date) of the Company at the end of the tenor of the CCPS. For determining the number of equity shares to be issued against the guaranteed yield accrued till the date of conversion, the amount of yield accrued will be divided by Rs.25 (i.e. value per share). The issue price of equity shares on conversion would be Rs. 25/- per share comprising of a face value of Rs. 10/- each and a premium of Rs. 15/- per share.

(vi) The Company has a discretion to pay the yield on the CCPS in cash.

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

Particulars	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**
CCPS*						
Number of shares at the beginning	2,50,00,000	2,500	2,50,00,000	2,500	2,50,00,000	2,500
Add : Issued during the year	-	-	-	-	-	-
Number of shares at the end	**2,50,00,000**	**2,500**	**2,50,00,000**	**2,500**	**2,50,00,000**	**2,500**

* The company had allotted 2,50,00,000 , 0 % Non-Convertible Non-Cumulative Compulsorily Redeemable Preference Shares (NCNCCRPS) to Reliance Financial Limited on October 29, 2015, The term of issue had been modified vide board meeting dated March 19, 2018 (as mentioned above) and the Preference Shares had became 0% Compulsorily Convertible Preference Shares (CCPS).

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 and April 01, 2017 is set out below;

Equity shares	No. of shares		No. of shares		No. of shares	
	No. of shares	**%**	**No. of shares**	**%**	**No. of shares**	**%**
Reliance Financial Limited	2,50,00,000	100%	2,50,00,000	100%	2,50,00,000	100%

₹ in lakh

Note 26B - Other equity

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i) Capital reserve	2,602	2,602	2,602
(ii) Retained earnings	(13,427)	(15,391)	(15,825)
(iii) Other Comprehensive Income	(104)	(64)	(19)
(iv) Debenture Redemption Reserve	596	276	-
(v) Share based options outstanding account	38	-	-
Total	**(10,295)**	**(12,577)**	**(13,242)**

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Capital reserve		
Opening Balances	2,602	2,602
Add: Transfer from Statement of Profit and Loss	-	-
Closing Balances	**2,602**	**2,602**
(ii) Retained earnings		
Opening Balances	(15,391)	(15,825)
Add : Profit for the year	2,284	710
Less : Transfer to Debenture Redemption Reserve	(320)	(276)
Closing Balances	**(13,427)**	**(15,391)**
(iii) Other Comprehensive Income		
Opening Balances	(64)	(19)
Add: Other comprehensive income for the year	(40)	(45)
Closing Balances	**(104)**	**(64)**
(iv) Debenture Redemption Reserve		
Opening Balances	276	-
Add: Transfer from Statement of Profit and Loss	320	276
Closing Balances	**596**	**276**
(v) Share based options outstanding account		
Opening Balances	-	-
Add: Stock options benefit from parent company during the year	38	-
Closing Balances	**38**	**-**

Nature and purpose of reserve

a) Capital reserve

Capital Reserves are mainly the reserves created during business combination for the gain on bargain purchase. The Company's capital reserve is mainly on account of business combination of Reliance Money Express Limited with Reliance Securities Limited.

b) Debenture redemption reserve

The company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

c) Retained earnings

Retained earnings represents accumulated deficit in statement of profit and loss.

d) Other comprehensive income

Other Comprehensive income represents actuarial gains / (losses) arising on recognition of defined benefit plans

e) Share options outstanding account

The share options outstanding account is used to recognise the fair value of options issued to employees under share based payments arrangement scheme by the parent company over the vesting period.

₹ in lakh

Note 27 - 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	3,793	4,034
Interest on deposits with banks	2,150	1,925
Interest on inter corporate loans	60	-
Total	**6,003**	**5,959**

Note 28 - 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	17,718	16,787
Management fees	1,014	400
Total	**18,732**	**17,187**

Note 29 - 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		
On trading portfolio		
Investments (Mutual Fund)	126	-
Derivatives	3,643	1,912
Equity	(67)	52
Bonds	170	367
Total Net gain/(loss) on fair value changes	**3,872**	**2,331**
Fair Value changes:		
Realised	3,643	2,131
Unrealised	229	200
Total Net gain/(loss) on fair value changes	**3,872**	**2,331**

Financial statements for the year ended March 31, 2019 ₹ in lakh

Note 30 - Other Income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on income tax refund	46	10
Interest income - others	-	2
Profit on sale of mutual fund	27	12
Profit on sale of fixed asset	-	3
Liability written back	10	52
Miscellaneous income	16	6
Provision no longer required	54	-
Total	**153**	**85**

Note 31 - 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	678	455
Bank overdrafts	126	318
Bank loans-long term and short term	717	685
Preference shares	154	(51)
Discount on commercial papers	365	801
On financial liabilities measured at FVTPL:		
Debentures	682	-
Total	**2,722**	**2,208**

Note 32 - Employee Benefits Expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, bonus and allowances	11,622	10,436
Contribution to provident fund and other funds	571	468
Staff welfare expenses	237	203
Total	**12,430**	**11,107**

₹ in lakh

Note 33 - Others expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent, Rates and taxes (net)	1,502	1,350
Insurance	224	212
Communication & networking charges	431	348
Marketing and advertisement	741	414
Legal and professional charges	794	1,102
Rates and taxes	54	164
Repair & maintenance	178	180
Postage and office couriers	86	82
Bad debts written-off (net off provision write back 70 Lakh (previous year Nil)	59	233
Travelling and conveyance expenses	755	509
Bank charges	186	187
Loss on discartment of assets	14	4
Stock exchange expenses	369	256
Printing and stationery	92	59
Payment to auditors		
- As Statutory audit	13	13
- As other audit fee	3	3
- As other services	1	1
Membership and subscription	94	43
Miscellaneous expenses	208	161
Office administrative expenses	244	297
Software expenses	1,564	1,186
Electricity charges	284	234
Provision for doubtful debts/advances	507	1,513
Seminar and training	93	49
Total	**8,496**	**8,600**

₹ in lakh

34 **Contingent liabilities**

Particulars	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
Claims not acknowledged as debts in respect of:			
i. Guarantees given by scheduled banks			
On behalf of the Company towards collateral security deposit in favour of Bombay Stock Exchange Limited			
- Cash Segment	960	1,560	1,260
- Futures and Options segment	100	100	50
On behalf of the Company towards collateral security deposit in favour of National Stock Exchange Limited			
- Cash Segment	-	-	-
- Futures and Options segment	15,465	29,790	24,706
ii. Unpaid and undeclared dividend on 10% cumulative redeemable preference shares (includes dividend distribution tax)	-	-	14,313
iii. Unpaid and undeclared dividend on 0% Non- Convertible Non-Cumulative Compulsorily Redeemable Preference Shares	-	-	300
iv. Unpaid and undeclared dividend on 12% Non- Convertible Cumulative Redeemable Preference Shares (includes dividend distribution tax)	-	-	24
- Other claims			
A. Service Tax			
Demand received from service tax authorities alleging non payment of service tax			
(a) Service tax is demanded on deputation of employees under business support service. (Period 2007-08 to 2011-12)	411	399	387
(b) Service tax on re-payment of card fees collected under business support service (Period 2008-09 and 2009-10)	-	-	1,311
(c) Service tax demanded on services provided to Western Union Financial Services, INC (WU) on the ground that RMEL as an agent provided service on behalf of WU and is liable to service tax under Business Auxiliary Services (Period October 2009 to September 2010)	-	-	1,129
(d) Service tax demanded on services provided to Western Union Financial Services, INC (WU) on the ground that RMEL as an agent provided service on behalf of WU and is liable to service tax under Business Auxiliary Services (Period October 2014 to September 2015)	484	-	-
(d) Service tax demanded on delay payment interest collected from the Customers	926	926	-
(e) Demand of service tax on mutual fund distribution service provided by foreign entities as import of service (Period 2008-09 and 2012-13)	-	8	8
B. Other Legal Matters;			
Demand raised for various legal matters from respective forum/court.	928	1,011	918

Notes to the financial statements ₹ in lakh

In reference to above note A (b) - Other claim, the Hon'ble CESTAT, Mumbai had allowed the Appeal in favour of the Company vide its judgement dated 10 April 2018.

In reference to above note A (c) - Other claim, the Hon'ble High Court in the appeal filed by Service tax department has held that the services provided by RMEL were indeed export and thus the Company had rightly disclosed the same as export. The consequential refund of Rs. 200 Lack is granted to the Company. The Periodical SCN's in the matter are pending before Jurisdictional Commissioner. However in view of judgement by Hon'ble Bombay High Court referred above, No contingency required.

In reference to note No. A (d) - Other claim, the SCN has been issued alleging that the Delay payment interest collected is liable to service tax. The Issue is industrywide. The Management is of the opinion that the amount collected is in nature of interest being covered under negative list service tax and hence not liable to service tax. Accordingly, no provision for the same has been made in the financial statements.

35 **Capital commitments**

Particulars	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
Estimated amount of contracts remaining to be executed on capital account (net of advances)	115	152	227

36 **Earnings per share (EPS)**

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

Particulars	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Net profit after tax available for equity shareholders	2,284	710
Weighted average number of shares for computation of Basic EPS	2,100	553
Basic EPS	**1.09**	**1.28**
Weighted average number of shares for computation of Diluted EPS	2,190	553
Diluted EPS	**1.04**	**1.28**

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	1.09	1.28
Diluted earnings per share	1.04	1.28

37 **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	155	111	9
Later than one year and not later than five years	203	152	361
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	1,477	1,080

₹ in lakh

38 **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 Commodities Limited
Reliance Financial Limited
Reliance Wealth Management Limited
Reliance Money Solutions Private Limited
Reliance Money Precious Metals Private Limited
Reliance Exchangenext Limited
Reliance Corporate Advisory Services Limited
Reliance Capital AIF Trustee Company Private 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
Indian Commodity Exchange Limited (up to September 25, 2018)

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

Names	**Designation**
Mr. Gop Kumar Bhaskaran	Whole-time Director & Chief Executive officer
Mr. Ashish Turakhia	Company Secretary
Mr. Manish Dhanuka	Chief Financial Officer
Mr. Amit Bapna	Director
Mr. Manu Chadha	Independent Director
Ms. Homai Daruwalla	Independent Director

(E) **Key management personnel compensation**

Particular	**Amount (₹)**
Short term employee benefits	386
Termination benefits	18
Total compensation	**404**

(excluding stock options)

Reliance Securities Limited
Notes to the financial statements

₹ in lakh

(F) **Transactions with related party**

Nature of Transaction	Holding company		Fellow Subsidiaries/ Associates of Holding Company		Key Management Personnel & their Relatives	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Share Capital						
Reliance Capital Limited						
Equity share issued	-	16,000	-	-	-	-
Preference share redeemed (refer note no. 21)	-	15,000	-	-	-	-
Unsecured loan						
Reliance Capital Limited						
Opening balance	-	-	-	-	-	-
Taken during the year	7,500	2,000	-	-	-	-
Repaid during the year	-	2,000	-	-	-	-
Closing balance (payable)	7,500	-	-	-	-	-
Reliance Financial Limited						
Opening balance	-	-	-	-	-	-
Taken during the year	-	-	1,15,989	78,263	-	-
Repaid during the year	-	-	1,15,989	78,263	-	-
Closing balance (payable)	-	-	-	-	-	-
Quant Capital Private Limited						
Opening balance	-	-	5,000	-	-	-
Taken during the year	-	-	2,000	5,000	-	-
Repaid during the year	-	-	7,000	-	-	-
Closing balance (payable)	-	-	-	5,000	-	-
Quant Broking Private Limited						
Opening balance	-	-	-	-	-	-
Taken during the year	-	-	3,950	-	-	-
Repaid during the year	-	-	3,950	-	-	-
Closing balance (payable)	-	-	-	-	-	-

Reliance Securities Limited
Notes to the financial statements

₹ in lakh

Nature of Transaction	Holding company		Fellow Subsidiaries/ Associates of Holding Company		Key Management Personnel & their Relatives	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Reliance Nippon Life Asset Management Limited						
Opening balance	-	-	1,500	-	-	-
Taken during the year	-	-	-	1,500	-	-
Repaid during the year	-	-	1,500		-	-
Closing balance (payable)	-	-	-	1,500	-	-
Redemption of Bonds Purchased						
Reliance Capital Limited						
Reliance capital Nifty Linked Debenture*						
Face Value of Rs. 100000 by 215 quantity	262	-	-	-	-	-
(Face Value of Rs. 100000 by 16369 quantity)	-	19,330	-	-	-	-
* The above debentures have been purchased from third party/open market and have been redeemed by the holding company during the year.						
Payments/expenditures						
Reliance Capital Limited						
Interest on inter corporate deposits	52	4	-	-	-	-
Reimbursement of Expenses						
- Rent	-	-	-	-	-	-
- Management Fee	600	600	-	-	-	-
- Reimbursement of IT expenses	124	162	-	-	-	-
- Contractual Services	4	34	-	-	-	-
- Reimbursement of others	-	3	-	-	-	-
Reliance Nippon Life Asset Management Limited						
Interest on inter corporate deposits	-	-	160	142	-	-
Reliance General Insurance Company Limited						
Medical Insurance	-	-	168	158	-	-
Reimbursement of Expenses			-	-		
Reliance Nippon Life Insurance Company Limited						
Insurance	-	-	50	47	-	-
Reliance Financial Limited						
Interest on inter corporate deposits	-	-	149	124	-	-
Quant Capital Private Limited	-	-			-	-
Interest on inter corporate deposits			175	21		
Quant Broking Private Limited						
Interest on inter corporate deposits	-	-	28	-	-	-

Reliance Securities Limited
Notes to the financial statements

₹ in lakh

Nature of Transaction	Holding company		Fellow Subsidiaries/ Associates of Holding Company		Key Management Personnel & their Relatives	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Reliance Wealth Management Limited						
Brokerage expenses	-	-	6	10	-	-
B.Gop Kumar						
Reimbursement of Expenses	-	-	-	-	1	-
Manishkumar Dhanuka						
Reimbursement of Expenses	-	-	-	-	2	2
Manu Chadha						
Director Sitting Fee	-	-	-	-	6	6
Reimbursement of Expenses	-	-	-	-	1	1
Homai Daruwalla						
Director Sitting Fee	-	-	-	-	5	7
Ashish Turakhia						
Opening Balance	-	-	-	-	20	-
Loan given	-	-	-	-	-	20
Loan Repaid	-	-	-	-	10	-
Closing Balance	-	-	-	-	10	20
Reimbursement of Expenses	-	-	-	-	0	0
Rs. 2400/- (previous year Rs. 4,670/-)						
Receipts/Income						
Reliance Capital Limited						
Brokerage Income	123	116	-	-	-	-
Reliance Nippon Life Asset Management Limited (formerly Reliance Capital Asset Management Limited)						
Distribution Income- Receipts	-	-	203	207	-	-
DPC & DP AMC Charges	-	-	0	0	-	-
Rs. 1,660/- (previous year 1,305/-)						
Reliance General Insurance Company Limited						
Brokerage Income	-	-	1	1	-	-
Distribution Income- Receipts	-	-	87	39	-	-
Reliance Nippon Life Insurance Company Limited						
Distribution Fees	-	-	1,051	462	-	-
Brokerage Income	-	-	53	17	-	-
Reimbursement of Expenses	-	-	1	-	-	-
Reliance Home Finance Limited						
Distribution Fees			1	85		
Brokerage Income - Receipts	-	-	53	22	-	-
DPC & DP AMC Charges	-	-	-	-	-	-

₹ in lakh

Nature of Transaction	Holding company		Fellow Subsidiaries/ Associates of Holding Company		Key Management Personnel & their Relatives	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Reliance Home Finance Nifty Linked Debenture						
Redemption of Bonds Purchased						
Face Value of Rs. 500000 by 40 quantity	-	-	260	-	-	-
(Face Value of Rs. 500000 by 451 quantity)				2,556		
Reliance Commodities Limited						
Reimbursement of Expenses - Receipts	-	-	111	180	-	-
IT Infrastructure and support Charges			200	200		
Reliance Financial Limited						
Brokerage Income	-	-	54	64	-	-
Distribution Fees	-	-	219	470	-	-
Reimbursement of expenses	-	-	26	177	-	-
Reimbursement of PLI Incentive			-	181		
Interest paid on redemption of debentures			-	59		
Sales of fixed assets			-	1		
Quant Capital Private Limited						
Management fees	-	-	45	150	-	-
Quant Securities Private Limited						
Management fees	-	-	30	-	-	-
Quant Investment Services Private Limited						
Management fees	-	-	30	-	-	-
Reimbursement of PLI	-	-	100	-	-	-
Quant Broking Private Limited						
Management fees	-	-	45	-	-	-
Reimbursement of PLI	-	-	50	-	-	-
Reliance Financial Nifty Linked Debenture						
Redemption of Bonds Purchased						
Face Value of Rs. 100000 by 5536 quantity	-	-	6,320	-	-	-
(Face Value of Rs. 100000 by 4493 quantity)				5,140		
Reliance Wealth Management Limited						
Brokerage Income	-	-	63	100	-	-
Management Fees.			264	-		
Reimbursement of expenses - Management fees			300	-		

₹ in lakh

Nature of Transaction	Holding company		Fellow Subsidiaries/ Associates of Holding Company		Key Management Personnel & their Relatives	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Reliance Money Solutions Private Limited						
Reimbursement of PLI Incentive	-	-	35	170	-	-
Interest Income	-	-	-	-	-	-
Reliance Asset Reconstruction Company Limited						
Distribution Fees	-	-	17	-	-	-
B.Gop Kumar						
DPC & DP AMC Charges Rs. 7,811 (previous year Rs.6,231/-)	-	-	-	-	0	0
Brokerage Rs. 2,176 (previous year Rs. 6,540/-)	-	-	-	-	0	0
Manishkumar Dhanuka						
DPC & DP AMC Charges Rs. 35,299 (previous year Rs. 3,949/-)	-	-	-	-	0	0
Brokerage Rs. 250 (previous year Rs. 6,525/-)	-	-	-	-	0	0
Manishkumar Dhanuka (HUF)						
DPC & DP AMC Charges Rs. 1,740 (previous year Rs. 906/-)	-	-	-	-	0	0
Brokerage Rs. 333 (previous year Rs. 646/-)	-	-	-	-	0	0
Megha Dhanuka						
DPC & DP AMC Charges Rs. 250 (previous year Rs. 300/-)	-	-	-	-	0	0
Brokerage Rs. 6,786 (previous year Rs. 11,455/-)	-	-	-	-	0	0

₹ in lakh

Nature of Transaction	Holding company		Fellow Subsidiaries/ Associates of Holding Company		Key Management Personnel & their Relatives	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Receivables and (payables)						
Reliance Capital Limited	(3,677)	(3,666)	-	-	-	-
Reliance Nippon Life Asset Management Limited Rs. 5,962/-	-	-	0	7	-	-
Reliance Nippon Life Insurance Company Limited	-	-	99	36	-	-
Reliance General Insurance Company Limited (previous Rs.2,974/-)	-	-	11	(0)	-	-
Reliance Home Finance Limited	-	-	(106)	(5)		
Reliance Commodities Limited	-	-	97	115	-	-
Reliance Financial Limited	-	-	(893)	(1,738)	-	-
Reliance Money Precious Metals Private Limited	-	-	-	-	-	-
Reliance Wealth Management Limited	-	-	310	(9)	-	-
Reliance Money Solutions Private Limited	-	-	-	130	-	-
B.Gop Kumar Rs. 12738/- (previous year Rs. 988)	-	-	-	-	(0)	0
Manishkumar Dhanuka Rs. 160/-	-	-	-	-	(0)	(1)
Manishkumar Dhanuka (HUF) Rs. 4,978/- (previous year 6,636)	-	-	-	-	(0)	(0)
Megha Dhanuka Rs. 8,097/-	-	-	-	-	(0)	(6)

(G) ***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.

₹ in lakh

39 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	469	252
Adjustment in respect of current income tax of prior years	0	70
Deferred tax	(592)	(252)
Total	**(123)**	**70**

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 charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2019 and March 31, 2018 is, as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Accounting profit before tax	2,161	780
Tax at India's statutory income tax rate of 29.12% (previous year 34.6080%)	**629**	**270**
Tax effect of the amount which are not taxable in calculating taxable income :		
Non deductible expenses for tax purpose	66	32
Fair value under employee stock option scheme	(11)	-
Fair value of financial instruments	(67)	(69)
Deferred tax assets on tax losses and unabsorbed depreciation	(617)	(233)
Adjustment for earlier year taxes	(123)	70
Income tax expense at effective tax rate	**(123)**	**70**
Effective tax rate	**(5.67%)**	**8.98%**
Accounting profit after tax	2,283	710

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	7,066	9,194
Unabsorbed depreciation	2,185	2,258
Potential tax benefit at 29.12% (previous year 34.6080%)	2,694	3,963

d) Unrecognised temporary differences

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue recognition on advance brokerage plan	2,903	3,676
Fair valuation of investments	(32)	(39)
Expected credit loss recognised	2,295	1,774
Gains recognised on futures	(198)	(161)
Provision for leave encashment	-	34
Provision for gratuity	112	92
Total	**5,081**	**5,376**

* Note: The company has deferred tax assets in the form of brought forward losses and disallowance under income tax. The company has recognised deferred tax assets only to the extent of deferred tax liability and such excess deferred tax asset has not been recognised due to future benefit which will be flow to the company being can not be reliably measure.

Notes to the financial statements ₹ in lakh

40 **Auditor's Remunerations**

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
As Auditors		
- Audit Fees	13	13
- Tax Audit Fees	-	-
Other Services		
- Certification	1	1
- Others	3	3
Reimbursement of Expenses	-	-
Total	**17**	**17**

41 **Foreign currency transactions**

Details of foreign currency transactions are as follows:

Particulars	**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

42 Disclosure of loans / advances and investments in its own shares pursuant to Regulation 53 of the Securities and Exchange Board of India (Listing Obligation And Disclosure Requirements) Regulations, 2015.

Particulars	**Outstanding balance**		
	As at March 31, 2019	**As at March 31, 2018**	**As at March 31, 2017**
i) Loans and advances in the nature of loans to subsidiaries	-	-	-
ii) Loans and advances in the nature of loans to associates	-	-	
iii) Loans and advances in the nature of loans to firms / companies in which directors are interested	-	-	-
iv) Investments by loanee in the shares of parent company and subsidiary company when the company has made a loan or advance in the nature of loan.	-	-	-
* Loans and advances does not include Bonds and debentures			

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

44 Securities received from clients as collateral are held by the Company in its own name in a fiduciary capacity.

₹ in lakh

45 Fair value measurement

a) Financial instruments by category

	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	FVPL	**Amortised cost**	**FVPL**	**Amortised cost**	**FVPL**	**Amortised cost**
Financial assets						
Cash and cash equivalents	-	5,221	-	5,357	-	3,280
Bank balance other than cash and cash equivalents above	-	26,562	-	32,390	-	26,688
Derivative financial instruments	1	-	-	-	-	-
Receivables						
(I) Trade receivables	-	12,190	-	17,198	-	23,272
(II) Other receivables	-	1,191	-	481	-	-
Loans	-	13,955	-	12,845	-	-
Investments	3,127	-	3,500		3,500	
Other financial assets	-	1,427	-	2,900	-	1,765
Total financial assets	3,128	60,546	3,500	71,171	3,500	55,005
Financial liabilities						
Derivative financial instruments	2,784	-	-	-	12	-
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	-	25,529	-	29,632	-	27,413
(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	-	-	-	-	-	-
Debt securities	10,933	-	2,621	-	-	-
Borrowings (Other than debt securities)	-	8,803	-	26,497	-	18,925
Subordinated liabilities	-	-	-	-	-	17,500
Other financial liabilities	499	1,058	345	1,206	396	1,037
Total financial liabilities	14,216	35,390	2,966	57,335	408	64,875

Notes to the financial statements ₹ in lakh

45 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.

(a) **As at March 31, 2019**

Assets and liabilities measured at fair value - recurring fair value measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Derivative financial instruments	1	-	-	**1**
Investments				
- Investment in mutual fund	3,127	-	-	**3,127**
Total financial assets	**3,128**	-	-	**3,128**
Financial liabilities				
Derivative financial instruments	2,784			**2,784**
Debt securities - (Market linked debentures)	10,933			**10,933**
Total financial liabilities	**13,717**	-	-	**13,717**

As at March 31, 2018

Assets and liabilities measured at fair value - recurring fair value measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Derivative financial instruments	-	-	-	
Total financial assets	-	-	-	-
Financial liabilities				
Debt securities - (Market linked debentures)	2,621	-	-	**2,621**
Total financial liabilities	**2,621**	-	-	**2,621**

As at April 01, 2017

Assets and liabilities measured at fair value - recurring fair value measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Derivative financial instruments	-	-	-	
Total financial assets	-	-	-	-
Financial liabilities				
Derivative financial instruments	12	-	-	**12**
Debt securities - (Market linked debentures)	-	-	-	
Total financial liabilities	**12**	-	-	**12**

₹ in lakh

(b) **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	-	-	5,221	5,221
Bank balance other than cash and cash equivalents above	-	-	26,562	26,562
Receivables				-
(I) Trade receivables	-	-	12,190	12,190
(II) Other receivables	-	-	1,191	1,191
Loans				
- Inter corporate deposits	-	-	7,500	7,500
- SEBI Margin Trade Funding	-	-	6,455	6,455
Other financial assets				
- Deposits	-	-	1,021	1,021
- Interest accrued on Fixed Deposit	-	-	367	367
- Interest accrued on SEBI MTF loan	-	-	39	39
Total financial assets	**-**	**-**	**60,546**	**60,546**
Financial liabilities				
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	-	-	25,529	25,529
Borrowings (Other than debt securities)				
- Inter Corporate Deposit	-	-	7,500	7,500
- Term loan from bank	-	-	500	500
- Bank overdraft	-	-	-	-
- Loan against shares (LAS)	-	-	-	-
- Commercial paper	-	-	803	803
Other financial liabilities	-	-	1,557	1,557
Total financial liabilities	**-**	**-**	**35,889**	**35,889**

₹ in lakh

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	-	-	5,357	5,357
Bank balance other than cash and cash equivalents above	-	-	32,390	32,390
Derivative financial instruments	-	-	-	-
Receivables				-
(I) Trade receivables	-	-	17,198	17,198
(II) Other receivables	-	-	481	481
Loans				
- Inter corporate deposits	-	-	-	-
- SEBI Margin Trade Funding	-	-	12,845	12,845
Investments				
- Investment in debentures	-	-	3,500	3,500
Other financial assets				
- Deposits	-	-	2,133	2,133
- Interest accrued on Fixed Deposit	-	-	358	358
- Interest accrued on SEBI MTF loan	-	-	409	409
Total financial assets	**-**	**-**	**74,671**	**74,671**
Financial liabilities				
Derivative financial instruments	-	-	-	-
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	-	-	29,632	29,632
Borrowings (Other than debt securities)				
- Inter Corporate Deposit	-	-	7,650	7,650
- Term loan from bank	-	-	9,500	9,500
- Bank overdraft	-	-	3,775	3,775
- Loan against shares (LAS)	-	-	2,500	2,500
- Commercial paper	-	-	3,072	3,072
Other financial liabilities	-	-	1,551	1,551
Total financial liabilities	**-**	**-**	**57,680**	**57,680**

₹ in lakh

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	-	-	3,280	3,280
Bank balance other than cash and cash equivalents above	-	-	26,688	26,688
Receivables				-
(I) Trade receivables	-	-	23,272	23,272
(II) Other receivables	-	-	-	-
Investments				
- Preference shares	-	-	3,500	3,500
Other financial assets				
- Deposits	-	-	1,465	1,465
- Interest accrued on Fixed Deposit	-	-	300	300
- Interest accrued on SEBI MTF loan	-	-	-	-
Total financial assets	**-**	**-**	**58,505**	**58,505**
Financial liabilities				
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	-	-	27,413	27,413
Debt securities - (Market linked debentures)	-	-	-	-
Borrowings (Other than debt securities)				
- Inter Corporate Deposit	-	-	-	-
- Term loan from bank	-	-	7,000	7,000
- Bank overdraft	-	-	1,992	1,992
- Loan against shares (LAS)	-	-	-	-
- Commercial paper	-	-	9,933	9,933
Subordinated liabilities	-	-	17,500	
Other financial liabilities	-	-	1,433	1,433
Total financial liabilities	**-**	**-**	**65,271**	**47,771**

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) below.

₹ in lakh

c) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Listed equity investments (other than subsidiaries and associates - Quoted bid price on stock exchange
- Mutual fund - net asset value of the scheme
- Debentures or bonds - based on market yield for instruments with similar risk / maturity, etc.
- Other financial instruments – discounted cash flow analysis.

d) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 March 2019 and 31 March 2018:

Particulars	**Total**
As at April 1, 2017	3,500
Additions	-
Disposals	(3,500)
Gains/(losses) recognised in statement of profit and loss	-
As at March 31, 2018	-
Additions	3,500
Disposals	(3,500)
Gains/(losses) recognised in statement of profit and loss	0
As at March 31, 2019	-

Notes to the financial statements ₹ in lakh

e) 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	5,221	5,221	5,357	5,357	3,280	3,280
Bank balance other than cash and cash equivalents above	26,562	26,562	32,390	32,390	26,688	26,688
Derivative financial instruments	-	-	-	-	-	-
Receivables						
(I) Trade receivables	12,190	12,190	17,198	17,198	23,272	23,272
(II) Other receivables	1,191	1,191	481	481	-	-
Loans	13,955	13,955	12,845	12,845	-	-
Investments	-	-	-	-	-	-
Other financial assets	1,427	1,427	2,900	2,900	1,765	1,765
Total financial assets	60,546	60,546	71,171	71,171	55,005	55,005
Financial liabilities						
Trade payables	25,529	25,529	29,632	29,632	27,413	27,413
Borrowings (Other than debt securities)	8,803	8,803	26,497	26,497	18,925	18,925
Subordinated liabilities	-	-	-	-	17,500	17,500
Other financial liabilities	1,058	1,058	1,206	1,206	1,037	1,037
Total financial liabilities	35,390	35,390	57,335	57,335	64,875	64,875

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 deposits given to exchanges, deposits taken from sub-brokers 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 statements ₹ in lakh

46 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, derivatives financial instruments, financial assets measured at amortised cost	Ageing analysis, credit ratings	Diversification of bank deposits, credit limits and regular monitoring
Liquidity risk	Debt securities, Borrowings (other than debts) & subordinated liabilities	Rolling cash flow forecasts	Availability of committed credit lines, borrowing facilities, Asset liability measurement
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 7 days in case of broking busniess clients and outstanding for more than180 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	**317**
changes in loss allowance	1,457
Loss allowance as on March 31, 2018	**1,774**
changes in loss allowance	521
Loss allowance as on March 31, 2019	**2,295**

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.

₹ in lakh

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
Fix rate			
Short Term Loan	-	-	-
Floating rate			
Cash Credit Limit	-	473	2,500
Overdraft facilities	-	225	2,008
Loan against securities	2,500	-	-

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.

₹ in lakh

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						
Cash and cash equivalents	5,221	-	-	-	-	**5,221**
Bank balance other than cash and cash equivalents above	-	7,698	18,787	52	25	**26,562**
Derivative financial instruments	-	1	-	0	-	**1**
Receivables						**-**
(I) Trade receivables	-	12,190	-	-	-	**12,190**
(II) Other receivables	-	1,191	-	-	-	**1,191**
Loans	7,500	6,455	-	-	-	**13,955**
Investments	-	3,127	-	-	-	**3,127**
Other financial assets	-	39	367	1,021		**1,427**
Total financial assets	**12,721**	**30,701**	**19,154**	**1,073**	**25**	**63,674**
Financial liabilities						
Derivative financial instruments	-	122	-	2,662	-	**2,784**
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	-	25,529	-	-	-	**25,529**
(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	-	-	-	-	-	**-**
Debt securities	-	-	-	10,802	131	**10,933**
Borrowings (Other than debt securities)	7,500	803	500	-	-	**8,803**
Subordinated liabilities	-	-	-	-	-	**-**
Other financial liabilities	-	-	1,058	-	499	**1,557**
Total financial liabilities	**7,500**	**26,454**	**1,558**	**13,464**	**630**	**49,606**
Net	5,221	**4,247**	**17,596**	**(12,391)**	**(605)**	**14,068**

Reliance Securities Limited

Notes to the financial statements

₹ in lakh

As at March 31, 2018

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						
Cash and cash equivalents	5,357	-	-	-	-	**5,357**
Bank balance other than cash and cash equivalents above	-	10,291	20,071	2,002	25	**32,389**
Derivative financial instruments	-	-	-	-	-	**-**
Receivables						
(I) Trade receivables	-	17,198	-	-	-	**17,198**
(II) Other receivables	-	481	-	-	-	**481**
Loans	-	12,845	3,500	-	-	**16,345**
Investments	-	-	-	-	-	**-**
Other financial assets	-	409	358	2,133	-	**2,900**
Total financial assets	**5,357**	**41,224**	**23,929**	**4,135**	**25**	**74,671**
Financial liabilities						
Derivative financial instruments	-	-	-	-	-	**-**
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	-	29,632	-	-	-	**29,632**
(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	-	-	-	-	-	**-**
Debt securities	-	-	-	2,621	-	**2,621**
Borrowings (Other than debt securities)	1,150	2,592	22,756	-	-	**26,497**
Subordinated liabilities	-	-	-	-	-	**-**
Other financial liabilities	-	-	1,206		345	**1,551**
Total financial liabilities	**1,150**	**32,224**	**23,962**	**2,621**	**345**	**60,301**
Net	**4,207**	**9,000**	**(32)**	**1,514**	**(320)**	**14,370**

Reliance Securities Limited
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₹ in lakh

As at April 1, 2017

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						
Cash and cash equivalents	3,280	-	-	-	-	**3,280**
Bank balance other than cash and cash equivalents above	-	13,350	12,589	749	-	**26,687**
Derivative financial instruments						
Receivables						
(I) Trade receivables	-	23,272	-	-	-	**23,272**
(II) Other receivables	-	-	-	-	-	**-**
Loans						**-**
Investments	-	-	3,500	-	-	**3,500**
Other financial assets	-	-	300	1,465	-	**1,765**
Total financial assets	**3,280**	**36,622**	**16,389**	**2,214**	**-**	**58,505**
Financial liabilities						
Derivative financial instruments	-	12	-	-	-	**12**
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small	-	-	-	-	-	**-**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	27,413	-	-	-	**27,413**
(II) Other payables						
(i) total outstanding dues of micro enterprises and small	-	-	-	-	-	**-**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	**-**
Debt securities						**-**
Borrowings (Other than debt securities)	-	9,933	8,992	-	-	**18,925**
Subordinated liabilities	-	-	-	-	17,500	**17,500**
Other financial liabilities	-	-	1,037	-	396	**1,433**
Total financial liabilities	-	37,358	10,029	-	17,896	**65,283**
Net	3,280	(736)	6,360	2,214	(17,896)	**(6,778)**

₹ in lakh

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 and equity prices.

Cash flow and fair value interest rate risk

The company's main interest rate risk arises from long-term borrowings with variable rates, which expose the company to cash flow interest rate risk. The company policy is to hedge its interest rate risk on MLD by taking positions in future & options based on specified indices.

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
Variable rate borrowing	10,933	2,621	-
Fixed rate borrowing	8,803	26,497	18,925
Total Borrowing			

As at the end of the reporting period, the Company had the following futures and options contracts outstanding:

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
		Units			Units			Units	
	No of contracts	Long	Short	No of contracts	Long	Short	No of contracts	Long	Short
Options									
Index option Long	45	3,375	-	-	-	-	-	-	-
Index option Short	(4,081)	-	(1,87,660)	-	-	-	(451)	-	(19,755)
Futures									
Stock futures long	247	3,61,572	-	1,805	37,26,073	-	934	24,99,237	-
Stock futures short	(50)		(1,95,176)	(1,807)	-	(48,87,618)	(853)	-	(26,90,881)
Index future long	1,058	79,350	-	-	-	-	15	1,125	
Net exposure in future & option contract		4,44,297	(3,82,836)		37,26,073	(48,87,618)		25,00,362	(27,10,636)

₹ in lakh

ii) Price risk Exposure

The company’s exposure to equity securities price risk arises from investments held by the company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss (note no. 10).

To manage its price risk arising from investments in equity securities, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the company.

The majority of the company’s equity investments are publicly traded.

iii) Financial liabilities designated at FVPL

The Company has issued certain non-convertible debentures, the rate of interest which is linked to performance of specified indices/stocks over the period of the debentures. The Company hedges its interest rate risk on MLD by taking positions in future & options based on specified indices/stocks+C194. The company designated the entire hybrid contract as a financial liability at fair value through profit or loss.

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.

₹ in lakh

47 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									
Cash and cash equivalents	5,221	-	5,221	5,357	-	5,357	3,280	-	3,280
Bank balance other than cash and cash equivalents above	26,485	77	26,562	30,362	2,027	32,390	25,939	749	26,688
Derivative financial instruments	1	0	1	-		-			-
Receivables			-			-			-
(I) Trade receivables	12,190	-	12,190	17,198	-	17,198	23,272	-	23,272
(II) Other receivables	1,191	-	1,191	481	-	481	-	-	-
Loans	13,955	-	13,955	12,845	-	12,845	-	-	-
Investments	3,127		3,127	3,500		3,500	3,500		3,500
Other financial assets	406	1,021	1,427	767	2,133	2,900	300	1,465	1,765
Non-financial assets									
Inventories	771	-	771	615	-	615	1,639	-	1,639
Current tax assets (Net)	-	592	592	-	526	526	-	639	639
Deferred tax assets (Net)	-	844	844	-	252	252	-	-	-
Investment property	-	14	14	-	14	14	-	-	-
Property, plant and equipment	-	950	950	-	853	853	-	850	850
Other intangible assets	-	875	875	-	1,029	1,029	-	583	583
Other non-financial assets	543	134	677	518	245	763	624	795	1,419
Total assets	**63,890**	**4,506**	**68,397**	**71,644**	**7,079**	**78,723**	**58,553**	**5,080**	**63,634**

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									
Derivative financial instruments	122	2,662	2,784	-	-	-	12	-	12
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	25,529	-	25,529	29,632	-	29,632	27,413	-	27,413
(II) Other payables									
(i) total outstanding dues of	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro	-	-	-	-	-	-	-	-	-
Debt securities	-	10,933	10,933	-	2,621	2,621	-		-
Borrowings (Other than debt securities)	8,803	-	8,803	26,497	-	26,497	18,925	-	18,925
Subordinated liabilities	-		-			-		17,500	17,500
Other financial liabilities	1,058	499	1,557	1,206	345	1,551	1,037	396	1,433
Non-financial Liabilities									
Provisions	-	358	358	-	334	334	-	200	200
Other non-financial liabilities	5,228	-	5,228	7,165	-	7,165	6,394	-	6,394
Total liabilities	**40,741**	**14,452**	**55,192**	**64,500**	**3,300**	**67,800**	**53,781**	**18,096**	**71,877**
Net	**23,150**	**(9,946)**	**13,204**	**7,144**	**3,779**	**10,924**	**4,772**	**(13,016)**	**(8,243)**

Notes to the financial statements ₹ in lakh

48 **Segment reporting**

The Company has reported segment wise information as per IND AS 108 "Operating Segment", notified under the Companies (Indian Accounting Standards) Rules, 2015. The operations of the Company are conducted within India, there is no separate reportable geographical segment and the Company reported the following business segments:

(i) Broking Activities: Broking activities includes Broking services to clients, research and advisory services and distribution of financial product distribution, depository services, etc.

(ii) Proprietary trading : Proprietary Trading activities includes the trading in securities by the Company in its own name.

(iii) Certain assets and liabilities, which relate to the company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated"

Particulars	**Yearly**	**Yearly**
	As at March 31, 2019	**As at March 31, 2018**
Segment Revenue		
a. Broking activity	24,735	23,146
b. Proprietary trading	3,872	2,331
c. Unallocated	153	85
Total	**28,760**	**25,562**
Segment Results		
a. Broking activity	(464)	(393)
b. Proprietary trading	2,590	1,187
c. Unallocated	35	(14)
Total	**2,161**	**780**
Segment Assets		
a. Broking activity	65,308	76,951
b. Proprietary trading	1,377	710
c. Unallocated	1,712	1,062
Total	**68,397**	**78,723**
Segment Liabilities		
a. Broking activity	52,243	67,577
b. Proprietary trading	2,950	223
c. Unallocated	-	-
Total	**55,192**	**67,800**

a) Segment assets includes financial and non financial assets and are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment. Unallocated assets include deferred tax asset current tax assets and unsplit portion of property plant and equipment, intangible assets and investment property as per accuracy level of splitting decided by the management.

b) Segment liabilities includes financial and non financial labilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment.

Notes to the financial statements ₹ in lakh

49 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. 32	438	356

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	**342**	**280**	**34**	**34**
Interest Cost	26	20	-	2
Current Service Cost	57	50	-	12
Benefit Paid	(54)	(53)	(34)	(8)
Actuarial (gain)/loss on obligations	56	45	-	(6)
Liability for Transferred In / (out)	20	-	-	-
Present value of obligations at the end of the year	**448**	**342**	**-**	**34**
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	**250**	**179**	**-**	**-**
Expected Return on Plan Assets	19	13	-	-
Contributions	92	123	-	-
Benefit Paid	(54)	(53)	-	-
Actuarial gain/(loss) on Plan Assets	4	(11)	-	-
Assets Transferred In/(out)	24	-	-	-
Fair Value of Plan Assets at the end of the year	**336**	**250**	**-**	**-**
III. Reconciliation of present value of obligation and fair value of assets :	**As at March 31, 2019**	**: March 31, 2018**	**: March 31, 2019**	**: March 31, 2018**
Liability at the end of the year	448	342	-	34
Fair value of plan assets at the end of the year	336	250		-
(Asset) / Liability Recognised in the Balance Sheet	**112**	**92**	**-**	**34**
IV. Expenses recognised during the year :	**As at March 31, 2019**	**: March 31, 2018**	**: March 31, 2019**	**: March 31, 2018**
Current Service Cost	57	50	-	12
Interest Cost	26	20	-	2
Expected Return on Plan Assets	(19)	(13)	-	-
Net Actuarial (Gain)/Loss recognised	51	57	-	(6)
Expense Recognised in statement of profit and loss	115	114	-	8

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	56	45
Actuarial Gain /(Loss) due to Plan Asset	4	(11)
Amount recognised in OCI during the year	**51**	**57**

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)	7.48%	7.68%	-	7.68%
Rate of Return on Plan Assets	7.48%	7.68%	-	7.68%
Salary Escalation	6.00%	6.00%	-	6.00%
Rate of Employee Turnover	For service 4 years and below 31.00% p.a & For service 5 years and above 3.00% p.a.	For service 4 years and below 31.00% p.a & For service 5 years and above 3.00% p.a.	-	For 0 yrs to 4 yrs 31.00 % 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	448	342	280	196	174
Fair value of plan assets at the end of the year	336	250	179	192	124
Excess of Obligation Over Plan Asset	112	92	101	4	50
Experience Adjustment on Plan Liability (Gain)/Loss	56	45	67	15	92
Actuarial Gain /(Loss) due to Plan Asset	4	(11)	1	(4)	5

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:

	Impact on defined benefit obligation					
	Change in assumption		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%	(47)	(36)	55	42
Salary growth rate	1.00%	1.00%	55	42	(48)	(36)
Employee Turnover	1.00%	1.00%	5	4	(6)	(5)

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
Insurer managed funds	100.00%	100.00%	100.00%	336	250	179
Total	**100.00%**	**100.00%**	**100.00%**	**336**	**250**	**179**

(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.

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 184 Lakh
The weighted average duration of the defined benefit obligation is 13 years (2018 – 13 years 2017 - 14).
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)	15	16	70	1,141	1,242
March 31, 2018					
Defined benefit obligation (gratuity)	17	12	56	899	984
April 1, 2017					
Defined benefit obligation (gratuity)	9	10	49	719	787

₹ in lakh except number of shares & value per shares

50 Phantom stock options

A. (i) The company has granted 22,41,232 (scheme 2015) Phantom Option to its employees in the financial year 2015-16.

Employee stock option (scheme 2015) details as on the balance sheet date are as follow

Description	Apr 18- Mar 19	Apr 17- Mar 18	Apr 16- Mar 17	As at 31st March 2016
Option outstanding at the beginning of the year	19,34,617	21,77,389	22,41,232	-
Granted during the year	-	-	-	22,41,232
Exercised during the year	3,30,642	89,884	-	-
Lapsed during the year	2,55,373	1,52,888	63,843	-
Option outstanding at the end of the year	**13,48,602**	**19,34,617**	**21,77,389**	**22,41,232**
Vested during the year	3,35,849	4,04,900	4,35,478	-

(ii) Detail of phantom share granted subject to the term and conditions as per Phantom stock scheme.

Particulars	
Date of grant	15th October 2015
Base Price Per Phantom stock Option	₹ Rs.28.57 per shares -(refer note)
Appreciation per Phantom stock Option	Excess of 'fair market of share on the date of exercise' determined in term of the Phantom Stock Option Scheme over the Base Price'
Formula for the valuation of the Co.	Profit Before Tax (PBT) X Fixed Multiplier (15)
Exercise Period	a. In case of continuation of employment : Vested Phantom Stock Options can be exercised any time up to 3 year from the date of last vesting of Phantom stock Options; and
	b. In case of cessation of employment :Different periods depending on kind of cessation as per provision of the Phantom Stock Option scheme.
Settlement of Phantom Stock Options	Within 90 days from the date of exercise by cash.

(iii) Detail of vesting schedules and conditions

Date of vesting (Grant 22,41,232 - Scheme 2015)	Percentage of vesting	Vesting condition
1st Anniversary from the date of grant	20%	Continued employment as on respective date of vesting.
2st Anniversary from the date of grant	20%	
3st Anniversary from the date of grant	20%	
4st Anniversary from the date of grant	20%	
5st Anniversary from the date of grant	20%	

B. (i) During the year company has granted 51,99,496 (scheme 2017) Phantom Option to its employees.

Employee stock option details as on the balance sheet date are as follow

Description	Apr 18- Mar 19	Apr 17- Mar 18
Option outstanding at the beginning of the year	50,73,499	-
Granted during the year	-	51,99,496
Exercised during the year	4,38,893	-
Lapsed during the year	2,70,895	1,25,997
Option outstanding at the end of the year	**43,63,711**	**50,73,499**
Vested during the year	12,00,651	-

(ii) Detail of phantom share granted subject to the term and conditions as per Phantom stock scheme.

Particulars	
Date of grant	10th July 2017
Base Price Per Phantom stock Option	₹ Rs.23.81 per shares -(refer note)
Appreciation per Phantom stock Option	Excess of 'fair market of share on the date of exercise' determined in term of the Phantom Stock Option Scheme over the Base Price'
Formula for the valuation of the Co.	Profit Before Tax (PBT) X Fixed Multiplier (15)
Exercise Period	a. In case of continuation of employment : Vested Phantom Stock Options can be exercised any time up to 3 year from the date of last vesting of Phantom stock Options; and
	b. In case of cessation of employment :Different periods depending on kind of cessation as per provision of the Phantom Stock Option scheme.
Settlement of Phantom Stock Options	Within 90 days from the date of exercise by cash.

₹ in lakh except number of shares & value per shares

Date of vesting (Grant 51,99,496 - Scheme 2017)	Percentage of vesting	Vesting condition
1st Anniversary from the date of grant	25%	Continued employment as on respective date of vesting.
2st Anniversary from the date of grant	25%	
3st Anniversary from the date of grant	25%	
4st Anniversary from the date of grant	25%	

The grant of phantom option are in the nature of long term benefits payments and accordingly, the actuarial valuation has been done for the phantom option on 31st March 2018. The management estimate cost to such schemes:

Note;
Reliance Securities Limited had issued equity shares to its parent company, Reliance Capital Limited, in the financial year 2017-18. Accordingly, the exercise price, the fair market value & number of the phantom options granted to employees were adjusted to reflect the revised equity base with effect from January 01,2019.

C. (i) During the year company has granted 30,28,437 (scheme 2018) Phantom Option to its employees.

Employee stock option details as on the balance sheet date are as follow

Description	**Apr 18- Mar 19**
Option outstanding at the beginning of the year	-
Granted during the year	30,28,437
Exercised during the year	-
Lapsed during the year	1,34,436
Option outstanding at the end of the year	**28,94,001**
Vested during the year	Nil

(ii) Detail of phantom share granted subject to the term and conditions as per Phantom stock scheme.

Particulars	
Date of grant	7th May 2018
Base Price Per Phantom stock Option	₹ Rs.31.43 per shares
Appreciation per Phantom stock Option	Excess of 'fair market of share on the date of exercise' determined in
Formula for the valuation of the Co.	Profit Before Tax (PBT) X Fixed Multiplier (15)
Exercise Period	a. In case of continuation of employment : Vested Phantom Stock
	b. In case of cessation of employment :Different periods depending on kind of cessation as per provision of the Phantom Stock Option scheme.
Settlement of Phantom Stock Options	Within 90 days from the date of exercise by cash.

Date of vesting (Grant 30,28,437 Scheme 2018)	Percentage of vesting	Vesting condition
1st Anniversary from the date of grant	25%	Continued employment as on respective date of vesting.
2st Anniversary from the date of grant	25%	
3st Anniversary from the date of grant	25%	
4st Anniversary from the date of grant	25%	

The grant of phantom option are in the nature of long term benefits payments and accordingly, the actuarial valuation has been done for the phantom option on 31st March 2019. The management estimate cost to such schemes:

Particulars	**Apr 18- Mar 19**	**Apr 17- Mar 18**
Estimated Cost	38	142

51 **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

a) 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 and investment properties covered by Ind AS 38 and Ind AS 40, respectively.

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

b) Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The company has elected to apply this exemption for such contracts/arrangements.

c) Share - based payment transactions

Ind AS 102 deals with the accounting and disclosure requirements related to share-based payment transactions. The standard addresses three types of share-based payment transactions: equity-settled, cash-settled, and with cash alternatives. A first-time adopter is encouraged, but is not required, to apply Ind AS 102 to:

(i) equity instruments that vested before the date of transition to Ind AS,
(ii) liabilities arising from share-based payment transactions that were settled before the date of transition to Ind AS.

The company has not applied the requirement of Ind AS 102 to liabilities arising from share-based payments transactions that were settled before the date of transition to Ind AS.

II. Ind AS mandatory exceptions

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 (FVTPL) or Fair value through other comprehensive income(FVOCI) ;

• 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 on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Notes to the financial statements ₹ in lakh

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 equity as on March 31, 2018

	Particulars	Notes to first time adoption	Previous GAAP* As at March 31, 2018	Ind AS Adjustment	Ind AS As at March 31, 2018
ASSETS					
Financial Assets					
(a)	Cash and cash equivalents		5,357	-	5,357
(b)	Bank Balance other than (a) above		32,390	-	32,390
(c)	Derivative financial instruments		-	-	
(d)	Receivables				
	(i) Trade receivables	1	18,585	(1,387)	17,198
	(ii) Other receivables		481		481
(e)	Loans	6	13,097	(252)	12,845
(f)	Investments	4	3,519	(19)	3,500
(g)	Other Financial assets		2,900	-	2,900
Non-financial Assets					
(a)	Inventories	5 (i)	591	24	615
(b)	Current tax assets (Net)		526	-	526
(c)	Deferred tax assets (Net)	6	-	252	252
(d)	Investment property	9	14	(0)	14
(e)	Property, plant and equipment		853	-	853
(f)	Other intangible assets		1,029	-	1,029
(g)	Other non-financial assets		763	-	763
Total Assets			**80,105**	**(1,382)**	**78,723**
LIABILITIES AND EQUITY					
LIABILITIES					
Financial Liabilities					
(a)	Derivative financial instruments	5 (ii)	161	(161)	-
(b)	Payables				
	Other 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		29,632	-	29,632
	(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		-	-	-
(c)	Debt Securities		2,621		2,621
(d)	Borrowings (Other than Debt Securities)		26,497	-	26,497
(e)	Subordinated Liabilities		-	-	-
(f)	Other financial liabilities	10	1,206	345	1,551
Non-Financial Liabilities					
(a)	Provisions		334	-	334
(b)	Other non-financial liabilities	3 & 10	2,574	4,590	7,165
EQUITY					
(a)	Equity Share capital		21,000	-	21,000
(b)	Instruments entirely equity in nature		2,500	-	2,500
(C)	Other Equity	7	(6,421)	(6,156)	(12,577)
Total Liabilities and Equity			**80,105**	**(1,382)**	**78,723**

₹ in lakh

Reconciliation of equity as on April 01, 2017

Particulars	Notes to first time adoption	Previous GAAP* As at April 01, 2017	Adjustment	As at April 01, 2017
ASSETS				
Financial Assets				
(a) Cash and cash equivalents		3,280	-	3,280
(b) Bank Balance other than (a) above		26,688	-	26,688
(c) Derivative financial instruments		-	-	-
(d) Receivables				
(i) Trade receivables	1	23,364	(91)	23,272
(ii) Other receivables		-	-	-
(e) Loans		-	-	-
(f) Investments	4	3,519	(19)	3,500
(g) Other Financial assets		1,765	-	1,765
Non-financial Assets				
(a) Inventories	5 (i)	1,585	53	1,639
(b) Current tax assets (Net)		639	-	639
(c) Deferred tax assets (Net)		-	-	-
(d) Investment property		-	-	-
(e) Property, plant and equipment		850	-	850
(f) Other intangible assets		583	-	583
(g) Other non-financial assets		1,419	-	1,419
Total Assets		**63,692**	**(57)**	**63,635**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
(a) Derivative financial instruments	5 (ii)	72	(60)	12
(b) Payables				
Other 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		27,413	-	27,413
(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		-	-	-
(c) Debt Securities		-	-	-
(d) Borrowings (Other than Debt Securities)		18,925	-	18,925
(e) Subordinated Liabilities	11 & 12	-396	17,896	17,500
(f) Other financial liabilities		1,433	-	1,433
Non-Financial Liabilities				
(a) Provisions		200	-	200
(b) Other non-financial liabilities	3 & 10	2,894	3,500	6,394
EQUITY				
(a) Equity Share capital	12	22,500	(17,500)	5,000
(b) Other Equity	7	(9,349)	(3,893)	(13,242)
Total Liabilities and Equity		**63,692**	**(57)**	**63,635**

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 April 01, 2017
Total equity (shareholder's funds) as per previous GAAP		17,080	13,151
Adjustments :			
Expected credit loss recognised - trade receivables	1	(1,387)	(91)
Derecognition of on Advance brokerage plan	3	(2,913)	(3,181)
Fair valuation of Inventory i.e. MLD/Bonds/Equity	5 (i)	24	53
Unrealised gains on options and futures	5 (ii)	161	60
Allowance for depreciation in investments	4	(19)	(19)
Depreciation on Investment Property	8	(0.12)	-
Error in computation of employee compensation	10	(1,677)	(320)
Interest accrued on Compulsorily Convertible Preference Shares as on transition date	11	(345)	(396)
Reclassification of preference shares to subordinated liabilities	12	-	(17,500)
Total adjustments		**(6,156)**	**(21,393)**
Total equity as per Ind AS		**10,923**	**(8,242)**

₹ in lakh

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

	Particulars	Note No.	Previous GAAP* For the year ended March 31, 2018	Adjustment	For the year ended March 31, 2018
A	**Revenue from operations**				
	Interest Income		5,959	-	5,959
	Fees and commission Income	3	16,919	268	17,187
	Net gain on fair value changes	5 (i) & 5 (ii)	2,259	72	2,331
	Total Revenue from operations		25,138	339	25,477
B	**Other Income**		85	-	85
C	**Total Income (A + B)**		**25,223**	**339**	**25,562**
	Expenses				
	Finance Costs	11	2,259	(51)	2,208
	Employee Benefits Expenses	10	9,794	1,313	11,107
	Depreciation, amortization and impairment	8	661	0.12	661
	Others expenses	1	7,304	1,296	8,600
D	**Total Expenses**		**22,225**	**2,558**	**24,782**
(I)	Profit / (loss) before exceptional items and tax (C-D)		2,998	(2,219)	780
(II)	Exceptional items		-	-	-
(III)	Profit/(loss) before tax (I -II)		2,998	(2,219)	780
(IV)	Tax Expense:				
	(1) Current Tax		252	-	252
	(2) Deferred Tax		(252)	-	(252)
	(3) Taxes of earlier years		70	-	70
V	**Profit for the year (III-IV)**		**2,928**	**(2,219)**	**710**
(VI)	**Other Comprehensive Income**				
	A Items that will not be reclassified to profit or loss :				
	Re-measurement of post retirement benefit obligation		-	(57)	(57)
	(ii) Income tax relating to items that will not be reclassified to profit		-	12	12
	Subtotal (A)		**-**	**(45)**	**(45)**
	B (i) Items that will be reclassified to profit or loss		-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or l		-	-	-
	Subtotal (B)		-	-	-
	Other Comprehensive Income (A + B)		-	(45)	(45)
(VII)	**Total Comprehensive Income for the year**		**2,928**	**(2,263)**	**665**

* The previous GAAP figures have been reclassified to Ind AS presentations requirements for the purpose of this note

Particulars	**Year ended March 31, 2018**
Net profit or loss as per Indian GAAP	**2,928**
Revenue recognition on Advance brokerage plan	268
Fair valuation of Inventory i.e. MLD/Bonds/Equity	(29)
Unrealised gains on options and futures	100
Error in computation of employee compensation	(1,370)
Actuarial loss reclassified to other comprehensive income from P&L account	57
Depreciation on Investment Property	(0.12)
0% Non Cumulative Non convertible Compulsorily Redeemable Preference Shares	51
Expected credit loss recognised	(1,296)
Total adjustments	**(2,219)**
Net profit/loss as per Ind AS as on 31st March, 2018 (i+ii)	710
Other comprehensive income, net of income tax	(45)
Total comprehensive income for the period (iii+iv)	**665**

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	(5,935)	193	(5,742)
Net cash flow from investing activities	(1,111)	-	(1,115)
Net cash flow from financing activities	9,123	(1,972)	7,151
Net increase/(decrease) in cash and cash equivalents	**2,077**	**(1,779)**	**294**
Cash and cash equivalents as at April 01, 2017	3,280	(1,992)	1,288
Cash and cash equivalents as at March 31, 2018	**5,357**	**(3,771)**	**1,582**

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 fixed deposits and bank overdraft.

Notes to first-time adoption:

1. Trade Receivables

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, the allowance for doubtful debts increase by ₹1,387 Lakh as at March 31, 2018 (April 01, 2017 – ₹91 Lakh). Consequently, the total equity as at March 31, 2018 decrease by ₹1,387 Lakh (April 01, 2015 – ₹91 Lakh) and profit for the year ended March 31, 2018 decrease by ₹1,295 Lakh.

2. 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 ₹57 Lakh. There is no impact on the total equity as at March 31, 2018.

3. Revenue and Deferred revenue

As par Ind AS-115, 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 ₹2,913 Lakh as at March 31, 2018 (April 01, 2017- ₹3,180 Lakh) . The profit for the year ended March 31, 2018 increased by ₹267 Lakh.

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.

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in FVOCI – Equity investments reserve as at the date of transition and subsequently in the other comprehensive income for the year ended March 31, 2018. This decrease other reserves by ₹ 19 Lakh as at March 31, 2017.

5. Valuation of Inventories/Financial instruments

(i) Fair valuation of inventories (MLD, bonds & equity instruments) : Under the previous GAAP, inventories were valued at cost or market value which ever is lower, however under the Ind AS, inventories are required to be fair valued, consequently the total equity as at March 31, 2018 were increased by ₹ 24 Lakh and total equity as at March 31, 2017 were increased by₹ 53 Lakh. The profit for the year ended March 31, 2018 decreased by ₹ 29 Lakh.

(ii) Fair valuation of Derivative instruments (future & options) : Under the previous GAAP, future & options were valued at cost or market value which ever is lower, however under the Ind AS, future and option are required to be fair valued, consequently the total equity as at March 31, 2018 were increased by ₹ 160 Lakh and total equity as at March 31, 2017 were increased by₹ 60 Lakh. The profit for the year ended March 31, 2018 increased by ₹ 100 Lakh.

6. Deferred Tax

Under previous GAAP, the Company had classified MAT credit entitlement under Loans and advances. Under Ind AS, Deferred tax assets includes 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.

7. 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 ₹ 6,156 Lakh at March 31, 2018 and by ₹ 3,893 Lakhs as at April 01, 2017.

8. 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 ₹ (56 Lakh).

9. Investment property

Under IND AS, the flat have been considered as Investment property, since the same is being held for a currently undetermined future use. This resulted reclassification of Investments into Investment Property by ₹ 14 Lakh.

10. 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. 319 Lakh through opening balance sheet adjustment in April 01, 2017 and by Rs 1677 Lakh in March 2018 through re-instating employee benefit liability in the financial statement.

11. Interest accrue compound financial instruments

The company has issued compulsorily convertible preference shares, where the interest payments are payable at the time of conversion into equity. This resulted decrease in retained earnings by ₹ 345 Lakh at March 31, 2018 and by ₹ 396 Lakhs as at April 01, 2017. The profit for the year ended March 31, 2018 increased by ₹ 51 Lakh.

12. Reclassfication of preference share to subordinated liabilities

The company had issued non convertible preference shares, which was reclassfied form share capital to subordinated liabilities on April 01, 2017. This resulted decrease in equity by ₹ 17,500 Lakh at March 31, 2017.

₹ in lakh

52 The Board of Directors of the Company have given consent at their Meeting held on March 19, 2018, to acquire the business undertaking of the Reliance Commodities Limited pertaining to Commodities broking business including all related assets and properties, employees, investments, contracts, debts and liabilities on slump sales basis. Accordingly, the Company has entered into Business Transfer Agreement dated August 24, 2018 with the Reliance Commodities Limited to acquire Commodities broking business for a consideration of Rs. 253 Lakh. Exchange approval for the Commodities Broking business acquisition has been received, subject to fulfilment of certain conditions. The Company is in the process of fulfilling those conditions.

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

Mukesh Mehta
Partner
Membership No.: 043495

Place : Mumbai
Date : April 30, 2019

For and on behalf of the Board of Directors

B. Gop Kumar
Director
DIN: 07223999

Amit Bapna
Director
DIN : 00008443

Manish Dhanuka
Chief Financial Officer

Ashish Turakhia
Company Secretary
Membership No. F3371