

Financial Statement

2016-17

Reliance Commodities Limited

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RELIANCE COMMODITIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Reliance Commodities Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

Other Matter

Audit of the previous year figures presented as comparatives was carried out by Chaturvedi & Shah, Chartered Accountants, being the Auditors for that year.

Our opinion is not modified in respect of other matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - g) 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 financial statements in note 23 to the 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, 2017.
 - iv. The company had provided requisite disclosures in its financial statements as regards to its holdings as well as dealings in Specified Bank Notes, during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.

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

Mukesh Mehta
Partner
Membership No.: 043495

Mumbai
Date: April 19th, 2017

Annexure to the Independent Auditors' Report

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

- 1) In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information except for in some assets where Company is in the process of tagging the assets.
 - b) As explained to us, all the fixed assets of the Company have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) The Company do not have any immovable properties and hence clause (i) (c) of paragraph 3 of the Order is not applicable to the company.
- 2) In our opinion the inventories (securities) have been physically verified 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, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31, 2017 for a period of more than six months from the date of becoming payable.
 - b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, on account of any dispute, which have not been deposited.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. The Company did not have any outstanding debentures during the year.
- 9) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term Loan and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- 10) In our opinion and according to the information and explanations given to us, no material frauds by the Company or on the Company by its officers or employees has been noticed or reported during the year.

- 11) In our opinion and according to the information and explanations given to us, the company has neither provided nor paid any managerial remuneration and hence clause (xi) of paragraph 3 of the Order is not applicable to the company.
- 12) In our opinion company is not a Nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.
- 13) In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- 14) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the company.
- 15) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company.
- 16) In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Mukesh Mehta
Partner
Membership No : 043495

Mumbai
Date: April 19th, 2017.

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE COMMODITIES LIMITED

(Referred to in paragraph 2 (f) under "Report on Other Legal and Regulatory Requirements" of our report of even date)

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

We have audited the Internal Financial Control over financial reporting of Reliance Commodities Limited ("the company") as of 31st March, 2017 in conjunction with our audit of the 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

Mukesh Mehta
Partner
Membership No.: 043495

Mumbai
Date: April 19th, 2017

RELIANCE COMMODITIES LIMITED

BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Note	March 31, 2017 Amount in ₹	March 31, 2016 Amount in ₹
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	3,00,00,000	3,00,00,000
(b) Reserves and surplus	3	8,52,50,511	8,12,36,239
2 Non current liabilities			
(a) Long term provisions	4	1,87,028	4,46,574
3 Current liabilities			
(a) Trade payables	5	29,75,37,184	22,76,86,768
(b) Other current liabilities	6	78,76,939	97,85,984
(c) Short term provisions	7	20,91,077	57,583
TOTAL		42,29,42,739	34,92,13,148
II. ASSETS			
1 Non current assets			
(a) Fixed assets	8		
(i) Tangible assets		10,71,961	9,95,484
(ii) Intangible assets		14,54,416	21,15,581
(b) Deferred tax assets (Net)	9	1,03,41,228	1,02,84,141
(c) Non current investments	10	20,000	20,000
(d) Long term loans and advances	11	90,21,698	1,51,49,076
2 Current assets			
(a) Stock in trade	12	-	4,53,13,761
(b) Trade receivables	13	29,86,970	29,51,566
(c) Cash and bank balances	14	34,00,21,933	22,26,25,657
(d) Short term loans and advances	15	4,53,15,634	4,68,36,242
(e) Other current assets	16	1,27,08,899	29,21,640
TOTAL		42,29,42,739	34,92,13,148

Significant accounting policies

Note on financial statements

1 to 34

The accompanying notes form an integral part of the financial statements

As per our report of even date

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

For and on behalf of the Board of Directors

Mukesh Mehta
Partner
Membership No.: 43495
Place : Mumbai
Date : April 19, 2017

Amit Bapna
Director
DIN : 00008443

B. Gop Kumar
Director
DIN : 07223999

RELIANCE COMMODITIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Note	April 1, 2016 to March 31, 2017 Amount in ₹	April 1, 2015 to March 31, 2016 Amount in ₹
I. Revenue from operations	17	12,28,18,712	12,98,14,505
II. Other income	18	14,05,385	1,79,07,207
III. Total Revenue (A)		<u>12,42,24,097</u>	<u>14,77,21,712</u>
IV Expenses:			
Operating expenses	19	3,19,42,993	4,17,68,879
Employee benefits expenses	20	4,53,44,803	4,64,28,967
Finance cost	21	16,82,531	24,99,761
Depreciation and amortization expense	8	12,56,621	10,99,299
Administrative and other expenses	22	4,15,61,041	3,46,80,279
Total Expenses (B)		<u>12,17,87,989</u>	<u>12,64,77,185</u>
V Profit before exceptional items and tax (A-B)		24,36,108	2,12,44,527
VI Exceptional items		-	-
VII Profit before tax (V-VI)		<u>24,36,108</u>	<u>2,12,44,527</u>
VIII Tax expense:			
Current tax		5,00,000	43,00,000
Mat credit		(5,00,000)	(43,00,000)
Deferred tax asset		(57,087)	(1,02,84,141)
Tax for earlier years		(15,21,077)	4,50,183
IX Profit for the year (VII-VIII)		<u>40,14,272</u>	<u>3,10,78,485</u>
Earning per share on Equity Shares of Rs. 10 each (refer note 31)			
- Basic		1.34	10.36
- Diluted		1.34	10.36
Significant Accounting Policies			
Note on financial statements	1 to 34		

The accompanying notes form an integral part of the financial statements

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

For and on behalf of the Board of Directors

Mukesh Mehta
Partner
Membership No.: 43495
Place : Mumbai
Date : April 19, 2017

Amit Bapna
Director
DIN : 00008443

B. Gop Kumar
Director
DIN : 07223999

RELIANCE COMMODITIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	April 1, 2016 to March 31, 2017 Amount in ₹	April 1, 2015 to March 31, 2016 Amount in ₹
A. Cash flow from operating activities :		
Net Profit before tax as per statement of profit and loss	24,36,108	2,12,44,527
Adjustments for :		
Depreciation	12,56,621	10,99,299
Interest on income tax refund	(9,63,573)	-
Provision written back	-	28,24,000
Interest income on loan given	-	(2,02,658)
Interest expenses	16,82,531	24,99,761
Profit on sale of assets	(70,391)	-
Profit on sale on investments	(3,63,983)	(5,32,930)
Operating profit before working capital changes	39,77,313	2,69,32,000
Adjustments for :		
(Increase)/ Decrease in trade receivable	(35,404)	60,63,899
(Increase)/ Decrease in stock in trade	4,53,13,761	(4,81,37,761)
(Increase)/ Decrease in short term loans and advances	15,20,608	(3,05,58,025)
Decrease in long term loans and advances	13,98,675	22,905
Increase/ (Decrease) in current liabilities	(19,09,045)	(1,05,44,398)
Increase/ (Decrease) in trade payables	6,98,50,416	(3,74,26,402)
Increase/ (Decrease) in longer term provision	(2,59,546)	(44,945)
Increase/ (Decrease) in short term provision	20,33,494	(17,03,225)
(Increase)/ Decrease in other current assets	(97,87,259)	43,88,250
Net bank balances not considered as cash and cash equivalents	(8,29,00,000)	5,50,00,000
Cash (used in)/ generated from operations	2,92,03,013	(3,60,07,703)
Refund of taxes	72,13,353	8,15,418
Net cash flow from/ (used in) operating activities (A)	3,64,16,366	(3,51,92,285)
B. Cash flow from investing activities :		
Purchase of fixed assets	(6,72,607)	(11,29,964)
Sale of fixed assets	71,064	-
Sale of investments (net)	3,63,984	5,32,930
Net cash flow from/ (used in) investment activities (B)	(2,37,559)	(5,97,034)

RELIANCE COMMODITIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	April 1, 2016 to March 31, 2017 Amount in ₹	April 1, 2015 to March 31, 2016 Amount in ₹
C. Cash flow from financing activities :		
Interest Income	-	2,02,658
Interest expenses	(16,82,531)	(24,99,761)
Net cash from/(used in) financing activities (C)	(16,82,531)	(22,97,103)
Net Increase/ (Decrease) in cash or cash equivalents (A+B+C)	3,44,96,276	(3,80,86,422)
Cash and cash equivalents at the beginning of the year	4,76,25,657	8,57,12,079
Cash and cash equivalents as at the end of the year	8,21,21,933	4,76,25,657

a) Fixed Deposits with banks having original maturity of more than three months aggregating to ₹ 25,79,00,000 (Previous year ₹ 175,000,000) are not readily liquid and have been excluded from Cash and cash equivalents (Refer note 14).

b) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement

Component of cash and cash equivalents (Refer note 28)

The accompanying notes form an integral part of the financial statements

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

For and on behalf of the Board of Directors

Mukesh Mehta
Partner
Membership No.: 43495
Place : Mumbai
Date : April 19, 2017

Amit Bapna
Director
DIN : 00008443

B. Gop Kumar
Director
DIN : 07223999

RELIANCE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Summary of significant accounting policies

(Currency: Indian Rupee)

1 Background

Reliance Commodities Limited was incorporated on 8 July 2005 . The Company is licensed by the Forward Market Commission to operate as commodity broker.

2 Significant accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on accrual basis. These financial statements have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) rules 2014.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Companies Act, 2013. Based on the nature of services offered the Company has ascertained its operating cycle as 12 months for the purpose of current-non current classification of assets and liabilities.

2.2 Use of estimates

The preparation of financial statements is in conformity with GAAP and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates are recognised prospectively in current and future periods.

2.3 Revenue recognition

(i) Brokerage income are recognized on trade date basis and other brokerage plan are recognized on receipt basis and is exclusive of service tax wherever applicable.

(ii) Interest income is accounted for on an accrual basis.

(iii) Dividend income is recognised when the right to receive the payment is established.

(iv) In respect of other heads of income, the company accounts the same on accrual basis.

(v) Income from sale of commodities are net of sales and purchase of the goods.

(vi) In respect of exchange traded derivatives undertaken by the company, net gain/loss arising from settlement of such transactions during the year or loss from restatement of such transactions that are pending settlement at the year end are recognised in the Statement of Profit and Loss for the year.

RELIANCE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

2.4 Fixed assets and depreciation

Fixed assets are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses. Cost includes expenses related to acquisition and installation of the concerned asset.

Tangible Assets

Depreciation on all class of fixed assets is charged under the straight line method over the useful life. The rates of depreciation for various assets are as follows:

Assets	Useful Life
Office Equipments	Over a period of 5 Years
Furniture and Fixtures	Over a period of 10 Years
Data Processing Equipments	Over a period of 3 Years

Intangible Assets - Computer Software

Computer software which forms an integral part of the related hardware is capitalised along with the hardware as fixed asset. Softwares which are not an integral part of computer hardware and from which future economic benefits are expected are treated as intangible assets and are amortised over their estimated useful life, namely six years.

Fixed assets costing less than ₹ 5,000 are fully depreciated in the year of purchase.

2.5 Investments

Investments are classified into long-term investments and current investments. Investments that are intended to be held for one year or more are classified as long-term investments and investments that are intended to be held for less than one year are classified as current investments.

Long term are valued at cost. Provision for diminution in value of long term investments is made if in the opinion of management such a decline is other than temporary.

Current investments are valued at cost or market / fair value, whichever is lower.

Units of Mutual Funds (Non - Exchange traded funds) are valued at cost or market value whichever is lower. Net asset value of units declared by mutual funds is considered as market value for non-exchange traded Mutual Funds.

2.6 Stock in trade

Securities acquired with the intention to trade are classified as Stock in trade. Stock in trade is valued at cost, calculated using weighted average cost method or realisable value which ever is lower. The profit or loss on the sale of stock is recognised on trade date in the Statement of Profit and Loss.

RELIANCE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

2.7 Accounting for derivative transactions

The Company enters into derivative contracts such as equity index/ stock futures, equity index/stock options.

Derivative contracts entered into for trading purposes are marked to market and the resulting loss is accounted for in the profit and loss account. Gains are recognised only on settlement/expiry of the derivative contract.

Receivables/payables on the open positions are reported as current assets/current liabilities.

2.8 Employee benefits

i. Short-Term Employee Benefits:

The employees of the Company are entitled to leave encashment as per the policy of the Company. The liability in respect of leave encashment is provided based on the actuarial valuation carried out by an independent actuary as at the year end. The actuarial valuation method used by the independent Actuary for measuring the liability is the Projected Unit Credit Method.

ii. Long-Term Employee Benefits:

(a) Defined Contribution Plan:

The company contributes to a Government administered Provident Fund for the employees who have opted for this option. The company has no further obligation beyond making its contribution, which are expensed in the year to which it pertains.

(b) Defined Benefit Plan:

The employee gratuity fund scheme is managed by a trust, these are defined benefit plans. Liability for Defined Benefit Plan is provided on the basis of valuation as at the Balance Sheet date carried out by an independent Actuary. The actuarial valuation method used by independent Actuary for measuring the liability is the Project Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in the actuarial assumption are recognised immediately in the statement of profit and loss as income or expenses.

2.9 Taxation

i. Current Tax:

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). Provision for income tax is recognised on an annual basis under the taxes payable method, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with Indian Income Tax Act, 1961. In case of matters under appeal due to disallowance or otherwise, full provision is made when the said liabilities are accepted by the Company. MAT Credit entitlement is recognised when there is convincing evidence that the same can be realised in future.

RELIANCE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

ii. Deferred Tax:

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only to the extent there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

2.10 Foreign currency transactions

- a) Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the time of transaction.
- b) Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.
- c) Monetary items denominated in foreign currencies at the year end are restated at the year end rates.
- d) Non monetary items denominated in foreign currencies are carried at cost.

2.11 Provisions, Contingent Liabilities and Contingent Asset

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resource is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the assets and related income are recognized in the period in which the change occurs.

2.12 Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such condition exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the asset or recoverable amount of the cash generating units to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss.

If at the Balance Sheet date there is an indication that if previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at revised recoverable amount.

RELIANCE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

2.13 Earnings per share

The basic earnings per share is computed by dividing the net profit / loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit / loss per share are included.

2.14 Operating Leases

Lease Rental in respect of operating lease is charged to Statement of Profit and Loss as per terms of the lease agreement on straight line basis over the lease term.

2.15 Provision for Doubtful Debts and Loans and Advances

Provision is made in the accounts for doubtful debts and loans and advances in cases where the management considers the debts, loans and advances, to be doubtful of recovery.

2.16 Cash and cash equivalent

Cash and cash equivalent for the purpose of cash flow statement comprised cash at bank and cash in hand and other short term investment with maturity of three months or less.

RELIANCE COMMODITIES LIMITED
NOTES FORMING PART OF THE BALANCE SHEET

NOTE 2
SHARE CAPITAL

	As at 31st March 2017		As at 31st March 2016	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
AUTHORISED				
Equity Shares of ₹ 10 each	50,00,000	5,00,00,000	50,00,000	5,00,00,000
TOTAL	<u>50,00,000</u>	<u>5,00,00,000</u>	<u>50,00,000</u>	<u>5,00,00,000</u>
ISSUED, SUBSCRIBED AND PAID UP				
Equity Shares of ₹ 10 each fully paid up	30,00,000	3,00,00,000	30,00,000	3,00,00,000
TOTAL	<u>30,00,000</u>	<u>3,00,00,000</u>	<u>30,00,000</u>	<u>3,00,00,000</u>

1. Terms and Rights attached to shares

- Equity Shares:

The company has only one class of equity share having a par value of ₹ 10/- per share. Each holder of equity share is 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, 2017 and March 31, 2016 is set out below:

	As at 31st March 2017		As at 31st March 2016	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
Equity Shares				
Number of shares at the beginning	30,00,000	3,00,00,000	30,00,000	3,00,00,000
Number of shares at the end	30,00,000	3,00,00,000	30,00,000	3,00,00,000

3. The details of shareholder holding more than 5% and shares held by the holding/ultimate holding company as at March 31, 2017 and March 31, 2016 set out below :

	As at 31st March 2017		As at 31st March 2016	
	No. of shares	% held	No. of shares	% held
Equity shares				
Reliance Capital Limited (holding company) and its nominees	30,00,000	100%	30,00,000	100%

RELIANCE COMMODITIES LIMITED
NOTES FORMING PART OF THE BALANCE SHEET

	March 31, 2017 Amount in ₹	March 31, 2016 Amount in ₹
NOTE 3		
RESERVES AND SURPLUS		
Surplus (balance as per statement of profit and loss)		
As per last balance sheet	8,12,36,239	5,01,57,754
Add: net profit for the year	40,14,272	3,10,78,485
TOTAL	8,52,50,511	8,12,36,239
NOTE 4		
LONG TERM PROVISIONS		
Provision for leave encashment	1,87,028	4,46,574
TOTAL	1,87,028	4,46,574
NOTE 5		
TRADE PAYABLES		
- Due to Micro Small & Medium Enterprises (Refer Note no. 27)	-	-
- Margin money deposits	29,66,13,428	22,61,66,863
- Other trade payables	9,23,756	15,19,905
TOTAL	29,75,37,184	22,76,86,768
NOTE 6		
OTHER CURRENT LIABILITIES		
Deposits received from sub brokers	15,05,159	10,65,595
Advance received from customers	-	10,00,000
Provision for expenses	36,75,207	49,56,084
Other payables		
- Statutory liabilities	13,90,381	16,10,651
- Payable to or on behalf of employees	3,11,888	1,02,998
- Other payables	9,94,304	10,50,656
TOTAL	78,76,939	97,85,984
NOTE 7		
SHORT TERM PROVISIONS		
Provision for gratuity	20,83,660	38,474
Provision for leave encashment	7,417	19,109
TOTAL	20,91,077	57,583

RELIANCE COMMODITIES LIMITED
NOTES FORMING PART OF THE BALANCE SHEET

NOTE 8
(FIXED ASSETS - AT COST)

Description of Assets	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at April 1, 2016	Additions during the year	Deletions during the year	As at March 31, 2017	Up to April 1, 2016	For the year	Deletions during the year	Up to March 31, 2017	As at March 31, 2017	As at March 31, 2016
Tangible Assets										
Data processing equipments	16,00,891	6,48,061	5,54,925	16,94,027	6,14,999	5,61,992	5,54,925	6,22,066	10,71,961	9,85,892
Furniture and Fixture	42,974	-	42,974	-	42,974	-	42,974	-	-	-
Office Equipments	3,56,713	-	3,28,600	28,113	3,47,121	8,919	3,27,927	28,113	-	9,592
Total Tangible assets	20,00,578	6,48,061	9,26,499	17,22,140	10,05,094	5,70,911	9,25,826	6,50,179	10,71,961	9,95,484
Intangible Assets										
(Other than internally generated) Software	70,38,932	24,546	-	70,63,478	49,23,351	6,85,711	-	56,09,062	14,54,416	21,15,581
Total Intangible assets	70,38,932	24,546	-	70,63,478	49,23,351	6,85,711	-	56,09,062	14,54,416	21,15,581
Total	90,39,510	6,72,607	9,26,499	87,85,618	59,28,445	12,56,621	9,25,826	62,59,241	25,26,377	31,11,065

Description of Assets	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at April 1, 2015	Additions during the year	Deletions during the year	As at March 31, 2016	Up to April 1, 2015	For the year	Deletions during the year	Up to March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible Assets										
Data processing equipments	6,79,109	9,21,782	-	16,00,891	3,35,687	2,79,312	-	6,14,999	9,85,892	3,43,422
Furniture and Fixture	7,630	35,344	-	42,974	7,630	35,344	-	42,974	-	-
Office Equipments	3,49,100	7,613	-	3,56,713	2,13,692	1,33,429	-	3,47,121	9,592	1,35,408
Total Tangible assets	10,35,839	9,64,739	-	20,00,578	5,57,009	4,48,085	-	10,05,094	9,95,484	4,78,830
Intangible Assets										
(Other than internally generated) Software	68,73,707	1,65,225	-	70,38,932	42,72,137	6,51,214	-	49,23,351	21,15,581	26,01,571
Total Intangible assets	68,73,707	1,65,225	-	70,38,932	42,72,137	6,51,214	-	49,23,351	21,15,581	26,01,571
Total	79,09,546	11,29,964	-	90,39,510	48,29,146	10,99,299	-	59,28,445	31,11,065	30,80,401

RELIANCE COMMODITIES LIMITED
NOTES FORMING PART OF THE BALANCE SHEET

NOTE 12
STOCK IN TRADE

	March 31, 2017			March 31, 2016		
	Amount in ₹			Amount in ₹		
	Face value	Quantity	Value	Face value	Quantity	Value
Non Convertible Debentures/Bonds (Quoted)						
Reliance Capital Limited NFTLNK 090516	-	-	-	10,00,000	13	2,11,57,851
Reliance Capital Limited NFTLNK 090816	-	-	-	1,00,000	194	2,41,55,910
TOTAL			<u>-</u>			<u><u>4,53,13,761</u></u>

RELIANCE COMMODITIES LIMITED
NOTES FORMING PART OF THE BALANCE SHEET

	March 31, 2017 Amount in ₹	March 31, 2016 Amount in ₹
NOTE 9		
Deferred tax assets/liabilities:		
<u>Deferred Tax Assets</u>		
Brought forward losses	1,00,48,137	1,06,40,563
Provision for leave encashment	60,084	1,43,896
Provision for gratuity	6,43,849	11,888
Provision for doubtful debts	-	-
Total	1,07,52,070	1,07,96,347
<u>Deferred Tax Liabilities</u>		
Depreciation	4,10,842	5,12,206
Total	4,10,842	5,12,206
Net Deferred Tax (Assets)/Liabilities*	(1,03,41,228)	(1,02,84,141)

* Note: The company has deferred tax assets in the form of disallowance under income tax & brought forward losses. The company has recognised deferred tax assets in current period due to reasonable certainty that the assets can be realised in future.

NOTE 10

NON CURRENT INVESTMENTS

Unquoted at cost		
Investment in government securities - 6 year NSC VIII issue	20,000	20,000
(Pledged with Sales tax authorities)		
TOTAL	20,000	20,000

NOTE 11

LONG TERM LOANS AND ADVANCES

(Unsecured and considered good)		
Capital advance	1,74,420	1,77,095
Deposits	72,03,000	85,99,000
Advance income tax	16,44,278	63,72,981
[Net of provision of Current Year ₹48,00,000(Previous Year ₹4,300,000)]		
TOTAL	90,21,698	1,51,49,076

RELIANCE COMMODITIES LIMITED
NOTES FORMING PART OF THE BALANCE SHEET

	March 31, 2017 Amount in ₹	March 31, 2016 Amount in ₹
NOTE 13		
TRADE RECEIVABLES		
(Unsecured, considered good)		
Trade receivables	29,86,970	29,51,566
TOTAL	29,86,970	29,51,566
Outstanding for		
- more than six months	13,73,712	-
- less than six months	16,13,258	29,51,566
NOTE 14		
CASH AND BANK BALANCES		
(A) Cash and cash equivalents		
Balance with banks		
- In current accounts	8,21,21,933	4,71,25,657
- In fixed deposits maturing within 3 months	-	5,00,000
	8,21,21,933	4,76,25,657
(B) Other bank balances		
Fixed deposits		
- Liened for making bank guarantees	20,74,00,000	12,50,00,000
- Liened against overdraft facility	5,00,00,000	5,00,00,000
- Others	5,00,000	-
	25,79,00,000	17,50,00,000
TOTAL	34,00,21,933	22,26,25,657
NOTE 15		
SHORT TERM LOANS AND ADVANCES		
(Unsecured and considered good unless otherwise stated)		
Advance given to vendors	12,20,042	9,10,058
Prepaid expenses	28,23,834	18,44,478
MAT credit	48,00,000	43,00,000
Margin money with exchanges	3,53,40,000	3,89,12,614
Service tax input	11,31,758	8,69,092
TOTAL	4,53,15,634	4,68,36,242
NOTE 16		
OTHER CURRENT ASSETS		
Accrued interest	1,16,83,982	20,87,100
Others	10,24,917	8,34,540
TOTAL	1,27,08,899	29,21,640

RELIANCE COMMODITIES LIMITED
NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

	April 1, 2016 to March 31, 2017 Amount in ₹	April 1, 2015 to March 31, 2016 Amount in ₹
NOTE 17		
REVENUE FROM OPERATIONS		
Operating Income		
Brokerage commission & other fee income	11,14,00,239	11,69,55,777
Less: service tax recovered	(1,41,57,816)	(1,43,62,990)
Profit from trading in securities and commodities	7,01,381	55,11,621
Other operating income		
- Interest charged	58,054	3,768
- Interest on fixed deposit	1,97,39,111	1,96,45,105
- Others	58,36,084	23,49,795
Less: service tax recovered	(7,58,341)	(2,88,571)
TOTAL	12,28,18,712	12,98,14,505
NOTE 18		
OTHER INCOME		
Interest:		
- on Loan	-	2,02,658
- on refund of income tax	9,63,573	-
Profit on sale of investments	3,63,983	5,32,930
Profit on sale of assets	70,391	
Provision no longer required written back	-	28,24,000
Unclaimed liability written back	-	1,43,37,911
Other income	7,438	9,708
TOTAL	14,05,385	1,79,07,207
NOTE 19		
Referral Fees	3,19,42,993	4,17,68,879
TOTAL	3,19,42,993	4,17,68,879
NOTE 20		
EMPLOYEE BENEFITS EXPENSES		
Salary, bonus and allowances	4,01,27,087	4,38,99,181
Contribution to provident fund and other funds	40,59,269	15,41,512
Staff welfare expenses	11,58,447	9,88,274
TOTAL	4,53,44,803	4,64,28,967

RELIANCE COMMODITIES LIMITED
NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

	April 1, 2016 to March 31, 2017 Amount in ₹	April 1, 2015 to March 31, 2016 Amount in ₹
NOTE 21		
FINANCE COST		
Interest Cost	16,82,531	24,99,761
TOTAL	16,82,531	24,99,761
NOTE 22		
ADMINISTRATIVE AND OTHER EXPENSES		
Rent, electricity & taxes (refer note 26)	1,61,64,625	33,24,275
Insurance	4,33,619	3,58,235
Communication expenses	23,96,416	21,90,329
Advertisement expenses	-	36,44,481
Printing and stationery	2,90,884	3,43,773
Professional charges	90,10,247	69,38,449
Travelling, conveyance and motor car expenses	39,68,004	30,07,386
Bank charges	23,24,444	10,46,399
Filing fees and stamp duty	1,62,940	1,81,909
Software expenses	57,12,584	37,26,141
Membership and subscription	3,31,406	1,55,000
Stock exchange expenses	2,65,363	1,11,115
Bad debts written off	23,761	92,41,536
Auditors remuneration		
- Audit fees	4,00,000	3,50,000
- Other services	50,000	50,000
Office administration expenses	26,748	11,251
TOTAL	4,15,61,041	3,46,80,279

RELIANCE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Currency: Indian Rupees)

	As at 31st March 2017	As at March 31, 2016
23 Contingent Liabilities		
i Guarantees given by scheduled banks on behalf of the Company towards		
- Collateral security deposit in favour of National Commodity and Derivatives Exchange Limited	5,25,00,000	5,00,00,000
- Collateral security deposit in favour of Multi Commodity Exchange of India Limited	28,25,00,000	20,00,00,000
- Capital Commitments	8,00,000	1,89,800
ii Claims not acknowledged as debts;		
- Demand raised for various legal matters from respective forum/court	3,98,45,530	3,98,45,530

24 Segment Information for the year ended March 31, 2017

The Company is into commodity broking related activities. As the Company is engaged only in one business segment and there are no geographical segments, the Balance Sheet as at March 31, 2017 and the statement of profit and loss for the period ended March 31, 2017 pertain to one business segment and related activities as per Accounting Standard (AS) 17 on "Segment Reporting".

25 Employee Benefits

As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below:

A. Defined Contribution Plans:

	As at 31st March 2017	As at March 31, 2016
Employer's Contribution to Provident Fund (includes administration charges)	20,13,709	17,59,416

B. Defined Benefit Plans:

Gratuity and Leave Encashment

The employees' gratuity fund scheme managed by a Trust (Reliance Commodities 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.

C. Employee Benefit Obligation (Gratuity and Leave Encashment)

	Gratuity Benefits		Leave Encashment Benefits	
I. Reconciliation of opening and closing balances of Defined Benefit Obligation :	FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16
Liability at the beginning of the year	25,08,938	31,09,077	4,65,683	5,43,708
Interest Cost	1,99,711	2,48,104	37,068	43,388
Current Service Cost	3,92,732	4,30,350	1,82,435	2,04,208
Benefit Paid	(25,24,873)	(5,23,792)	(3,89,110)	(1,49,477)
Actuarial (gain)/loss on obligations	15,94,149	(7,54,801)	(1,01,631)	(1,76,144)
Liability at the end of the year	21,70,657	25,08,938	1,94,445	4,65,683

RELIANCE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Currency: Indian Rupees)

II. Reconciliation of opening and closing balances of fair value of Plan Assets :	FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16
Fair Value of Plan Assets at the beginning of the year	24,70,464	14,00,458	-	-
Expected Return on Plan Assets	1,96,649	1,11,757	-	-
Contributions	-	15,37,447	-	-
Benefit Paid	(25,24,873)	(5,23,792)	-	-
Actuarial gain/(loss) on Plan Assets	(55,243)	(55,406)	-	-
Fair Value of Plan Assets at the end of the year	86,997	24,70,464	-	-

III. Reconciliation of fair value of assets and obligations :	FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16
Liability at the end of the year	21,70,657	25,08,938	1,94,445	4,65,683
Fair value of plan assets at the end of the year	(86,997)	(24,70,464)	-	-
(Asset) / Liability Recognised in the Balance Sheet#	20,83,660	38,474	1,94,445	4,65,683

Included under 'Long term/short term provisions' (Refer Note 4 & Note 7)

IV. Expenses recognised during the year :	FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16
Current Service Cost	3,92,732	4,30,350	1,82,435	2,04,208
Interest Cost	1,99,711	2,48,104	37,068	43,388
Expected Return on Plan Assets	(1,96,649)	(1,11,757)	-	-
Net Actuarial (Gain)/Loss To Be Recognised	16,49,392	(6,99,395)	(1,01,631)	(1,76,144)
Expense Recognised in statement of profit and loss	20,45,186	(1,32,698)	1,17,872	71,452

V. Investment details :

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

VI. Assumptions :	FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16
Discount Rate (per annum)	7.39%	7.96%	7.39%	7.96%
Rate of Return on Plan Assets	7.39%	7.96%	0%	0%
Salary Escalation	6.00%	6.00%	6.00%	6.00%

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.

RELIANCE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Currency: Indian Rupees)

VII. - Particulars of amounts for the year and previous years	2017	2016	2015	2014	2013
Defined benefit obligation at the end of the year	21,70,657	25,08,938	31,09,077	14,93,252	15,14,458
Fair value plan asset at the end of the year	86,997	24,70,464	14,00,458	16,22,528	18,87,409
Excess of obligation over plan asset	20,83,660	38,474	17,08,619	(1,29,276)	(3,72,951)
Experience adjustment on plan liability (Gain)/Loss	15,94,149	(7,54,801)	16,60,881	(1,74,880)	3,85,493
Actuarial Gain / (Loss) due to plan asset	(55,243)	(55,406)	81,944	(1,06,913)	(1,979)

26 Operating lease

Office premises assets are obtained on operating lease and are renewable/cancellable at mutual consent. There are no restriction imposed by the lease agreements.

	As at 31st March 2017	As at March 31, 2016
Rental payments of assets (net)	29,96,442	27,93,378

- 27 The Company did not have any outstanding dues to any micro, small or medium enterprises as defined under Micro, Small and Medium Enterprise Development Act, 2006 at any point during the year that were outstanding for a period of more than 45 days from the date of acceptance.

	As at 31st March 2017	As at March 31, 2016
28 Component of cash and cash equivalents		
Balance with banks in current accounts	8,21,21,933	4,71,25,657
In fixed deposits maturing within 3 months	-	5,00,000
	<u>8,21,21,933</u>	<u>4,76,25,657</u>

- 29 Disclose the details of Specified Bank Notes (SBN) transacted during the period 08/11/2016 to 30/12/2016 are as under :-

	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	76,000	-	76,000
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	76,000	-	76,000
Closing cash in hand as on 30.12.2016	-	-	-

RELIANCE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Currency: Indian Rupees)

30 Related party transactions

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below

Relationships during the year

(A) Parties by whom control exists during the year

Reliance Capital Limited	Holding Company
--------------------------	-----------------

(B) Fellow subsidiaries

Reliance Securities Limited	Fellow subsidiary
Reliance Wealth Management Limited*	Fellow subsidiary
Reliance Financial Limited	Fellow subsidiary
Reliance General Insurance Co Limited	Fellow subsidiary
Reliance Nippon Life Insurance Company Limited	Fellow subsidiary (w.e.f. March 30, 2016)*

Note : * No transaction taken place during the Period

(C) Transactions with related parties during the year :

Nature of Transaction	Holding company		Fellow Subsidiaries & Key Management Personnel & their Relatives	
	31st March	31st March	31st March	31st March
	2017	2016	2017	2016
Redemption of Bonds Purchased				
Reliance Capital Limited				
Reliance capital Nifty Linked Debenture*				
Face Value of Rs. 100000 by 603 quantity	-	8,25,49,310	-	-
* The above debentures have been purchased from third party/ open market and have been redeemed by the holding company during the previous year.				
Unsecured loan (Inter Corporate Deposit)				
Reliance Financial Limited				
Opening balance	-	-	-	-
Taken during the year	-	-	(13,00,00,000)	24,03,00,000
Repaid during the year	-	-	13,00,00,000	24,03,00,000
Closing balance	-	-	-	-
Loan & Advance (Inter Corporate Deposit)				
Reliance Financial Limited				
Opening balance	-	-	-	-
Given during the year	-	-	-	6,84,00,000
Repaid during the year	-	-	-	6,84,00,000
Closing balance	-	-	-	-

RELIANCE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Nature of Transaction	Holding company		Fellow Subsidiaries & Key Management Personnel & their Relatives	
	31st March	31st March	31st March	31st March
	2017	2016	2017	2016
Receipts/Income				
A. Brokerage Income				
Reliance Capital Limited	73	-	-	-
Reliance Financial Limited	-	-	15	-
B. Interest Income				
Reliance Financial Limited	-	-	-	2,02,658
Payments/expenditures				
Interest on Inter Corporate Deposits				
Reliance Financial Limited	-	-	8,12,981	15,66,732
Insurance				
Reliance General Insurance Company Limited	-	-	9,82,500	7,21,586
Reliance Nippon Life Insurance Company Limited - Refund	-	-	2,96,631	-
Rent and Electricity Expenses				
Reliance Securities Limited	-	-	87,71,332	16,76,308
Godown Rent				
Reliance Securities Limited	-	-	41,86,407	-
Receivable / (Payable)				
Reliance Nippon Life Insurance Company Limited	-	-	24,400	-
Reliance General Insurance Company Limited	-	-	9,34,093	5,08,273

31 Earnings per share

Particulars	As at 31st March 2017	As at March 31, 2016
Net profit after tax as per statement of profit and loss	40,14,272	3,10,78,485
Weighted average number of equity shares outstanding during the year	30,00,000	30,00,000
Nominal value per equity share	10	10
Basic and diluted earnings per share	1.34	10.36

32 Foreign currency transactions

Details of foreign currency transactions are as follows:

	As at 31st March 2017	As at March 31, 2016
Expenditure incurred in foreign currency*	-	-
Income earned in foreign currency*	-	-

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

RELIANCE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

33 On account of inadequate profits in last 3 years, the Company is not required to pay any amount towards corporate social responsibility as defined under section 135 of Companies Act 2013.

34 Previous year figures

Figures of previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year.

The accompanying notes form an integral part of the financial statements

As per our report of even date

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

For and on behalf of the Board of Directors

Mukesh Mehta
Partner
Membership No.: 43495

Amit Bapna
Director
DIN : 00008443

B. Gop Kumar
Director
DIN : 07223999

Place : Mumbai
Date : April 19, 2017