

Financial Statement
2019-20
Reliance Exchangenext Limited

INDEPENDENT AUDITOR'S REPORT

To
The Members
Reliance Exchangenext Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the Ind AS financial statements of **Reliance Exchangenext Limited** ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

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 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, 2020 and its loss, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw your attention to Note No. 19 to the Ind AS financial statements regarding investment made by the company in Indian Commodity Exchange Limited & petition filed by MMTC Ltd in Company Law Board against this investment, outcome of this petition are awaited from National Company Law Tribunal.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 Companies Act, 2013 and the Rules made there under, 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.

Independent Auditor's Report (Continued)
Reliance Exchangenext Limited

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the Ind AS financial statements and our auditor's report thereon. The report containing other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information and we will 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 identified above when it becomes available 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. When we read the report containing other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

Responsibility of Management and Those Charged with governance for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

Independent Auditor's Report (Continued)
Reliance Exchangenext Limited

That 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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.

Independent Auditor's Report (Continued)
Reliance Exchangenext Limited

- 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

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 the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 it appears from our examination of those books.

Independent Auditor's Report (Continued)
Reliance Exchangenext Limited

- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with relevant rules of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations on its financial position of the company.
 - 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 Chaturvedi & Shah LLP
Chartered Accountants
Firm's Registration No. 101720W/W100355

Lalit R. Mhalsekar
Partner
Membership No. 103418

UDIN: 20103418AAAABZ2813

Mumbai
Dated : April 29, 2020

Independent Auditor's Report (Continued)
Reliance Exchangenext Limited

Annexure A to the Independent Auditor's Report (Continued)

(Referred to in our report of even date)

- (i) According to the information and explanations given to us, the Company does not have any fixed assets; hence clause (i) of Paragraph 3 of the Order is not applicable to the Company.
- (ii) According to the information and explanations given to us, the Company is a service Company, primarily engaged in activities of pension fund management. Accordingly, it does not hold any physical inventories. Accordingly, provisions of clauses (ii) of paragraph 3 of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loan secured/unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clauses (iii)(a), (iii)(b) and (iii)(c) of paragraph 3 of the Order are not applicable.
- (iv) According to the information and explanations given to us, during the year under audit, neither the Company has given any loan or provided any guarantee or security to its director or any other person, in whom director is interested nor the Company has given any loan or guarantee and provided any security and acquired any security of body corporate. Accordingly, provisions of clauses (iv) of paragraph 3 of the Order are not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public and hence directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable. During the year under audit, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for whether the same has been complied with or not.
- (vi) According to the information and explanations given to us, the Central Government has not specified for maintenance of cost records under sub section (1) of Section 148 of the Companies Act, 2013 in respect of activities carried on by the Company. Hence the provisions of clause (vi) of paragraph 3 of the Order is not applicable to the Company.
- (vii) In respect of statutory dues:
 - a) According to the records of the Company, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including income tax, goods and service tax, cess and any other statutory dues, as applicable. Further,

Independent Auditor's Report (Continued)
Reliance Exchangenext Limited

there are no undisputed amounts payable outstanding as at March 31, 2020 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no dues of income tax, goods and service tax which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, during the year under audit, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.

As on March 31, 2020 Interest on loan from Reliance Capital Limited (Financial Institution) amounting to Rs. 57.96 lakhs was not paid as the Company has opted for moratorium of 3 months as per Guidelines issued by Reserve Bank of India (RBI) vide its notification no. RBI/2019- 20/186/DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 on COVID-19-Regulator Package from the actual due date for installments falling between March 1, 2020 to May 31, 2020.

- (ix) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loan during the year.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the Management.
- (xi) According to the information and explanations given to us, during the year the Company has neither provided nor paid any managerial remuneration. Hence the provisions of clause (xi) of paragraph 3 of the Order is not applicable to the Company.
- (xii) The Company is not a Nidhi Company, accordingly, the provisions of clause (xii) of paragraph 3 of the Order is not applicable to the Company.
- (xiii) The Company has entered into transaction with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the Ind AS financial statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, read with relevant rules of Companies (Accounts) Rules, 2014.

Independent Auditor's Report (Continued)
Reliance Exchangenext Limited

- (xiv) According to the information and explanations given to us, during the year under audit, the Company has not made any preferential allotment or private placement of shares and fully or partly convertible debentures. Hence the provisions of clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered any non-cash transactions with directors and persons connected with him. Hence the provisions of clause (xv) of paragraph 3 of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence the provisions of clause (xvi) of paragraph 3 of the Order is not applicable to the Company.

For Chaturvedi & Shah LLP
Chartered Accountants
Firm's Registration No. 101720W/W100355

Lalit R. Mhalsekar
Partner
Membership No. 103418

UDIN: 20103418AAAABZ2813

Mumbai
Dated : April 29, 2020

Independent Auditor's Report (Continued)
Reliance Exchangnext Limited

Annexure B to the Independent Auditor's Report of even date on the Ind AS financial statements of the Reliance Exchangnext Limited

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

We have audited the internal financial controls over financial reporting of Reliance Exchangnext Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Independent Auditor's Report (Continued)
Reliance Exchangenext Limited

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 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 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 the Ind AS 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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 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.

Independent Auditor's Report (Continued)
Reliance Exchangenext Limited

Opinion

In our opinion, 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm's Registration No. 101720W/W100355

Lalit R. Mhalsekar

Partner

Membership No. 103418

UDIN: 20103418AAAABZ2813

Mumbai

Dated : April 29, 2020

Reliance Exchangenext Limited
Balance Sheet as at March 31, 2020

(Amount in Rs.)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Financial assets			
Cash and cash equivalents	3	3 92 065	5 14 705
Investments	4	101 60 44 432	121 00 50 414
Non-financial assets			
Other non-financial assets	5	16 36 342	16 08 443
TOTAL ASSETS		101 80 72 839	121 21 73 562
EQUITY AND LIABILITIES			
Liabilities			
Financial liabilities			
Borrowings	6	19 56 00 000	19 56 00 000
Other financial liabilities	7	5 32 28 247	2 58 48 356
Non-financial Liabilities			
Provisions	8	45 000	45 000
Other non-financial liabilities	9	6 250	5 000
Equity			
Equity share capital	10	42 26 00 000	42 26 00 000
Other equity	11	34 65 93 342	56 80 75 206
Total equity		76 91 93 342	99 06 75 206
TOTAL		101 80 72 839	121 21 73 562

The accompanying notes are integral part of these financial statements.

As per our report of even date attached
For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Registration No. : 101720W / W100355

For and on behalf of the Board

Atul Tandon
Director

Yogesh Deshpande
Director

Lalit R. Mhalsekar
Partner
Membership No.: 103418

Abhishek Pacharia
Chief Financial Officer

Ishan Shah
Company Secretary & Manager

Place : Mumbai
Date : April 29, 2020

Place : Mumbai
Date : April 29, 2020

Reliance Exchangenext Limited
Statement of Profit and Loss for the year ended March 31, 2020

(Amount in Rs.)

Particulars	Note No.	2019-20	2018-19
Revenue from Operations			
Net gain on fair value changes	12	-	29 82 030
Total Revenue from Operations			29 82 030
Other income	13	-	28 090
Total income		-	30 10 120
Expenses			
Finance costs	14	2 73 02 747	81 24 106
Net loss on fair value changes	15	19 40 05 983	-
Other expenses	16	1 73 134	48 81 951
Total expenses		22 14 81 864	1 30 06 057
Profit / (loss) before tax		(22 14 81 864)	(99 95 937)
Income tax expense:	17		
- Current tax		-	-
- Deferred tax		-	-
Profit / (loss) for the year		(22 14 81 864)	(99 95 937)
Other comprehensive income			
Other comprehensive income for the year			
(A) Items that will not be reclassified to profit or loss		-	-
(B) Items that will be reclassified to profit or loss		-	-
Total comprehensive income for the year		(22 14 81 864)	(99 95 937)
Earnings per equity share face value of Rs. 10 each fully paid-up			
- Basic (Rs.)	18	(5.24)	(0.24)
- Diluted (Rs.)	18	(5.24)	(0.24)

The accompanying notes are integral part of these financial statements.

As per our report of even date attached

For and on behalf of the Board

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No. : 101720W / W100355

Atul Tandon
Director

Yogesh Deshpande
Director

Lalit R. Mhalsekar

Partner

Membership No.: 103418

Abhishek Pacharia
Chief Financial Officer

Ishan Shah
Company Secretary & Manager

Place : Mumbai

Date : April 29 2020

Place : Mumbai

Date : April 29 2020

Reliance Exchangenext Limited
Statement of changes in equity for the year ended March 31, 2020

A Equity share capital (Refer Note-10)	(Amount in Rs.)
	Quantity
As at April 01, 2018	4 22 60 000
Changes in equity share capital	
As at March 31, 2019	4 22 60 000
Changes in equity share capital	
As at March 31, 2020	4 22 60 000

B Other equity (Refer Note-11)	Reserves and surplus	Other	Total other equity
	Securities	Retained	
	premium	Earnings	comprehens
			ive income
Balance as at April 1, 2018	62 10 00 000	(4 29 28 857)	-
Surplus/(deficit) in the statement of profit and loss	-	(99 95 937)	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(99 95 937)	-
Balance as at March 31, 2019	62 10 00 000	(5 29 24 794)	57 80 71 143
Surplus/(deficit) in the statement of profit and loss	-	(22 14 81 864)	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(22 14 81 864)	-
Balance as at March 31, 2020	62 10 00 000	(27 44 06 658)	56 80 75 206

The accompanying notes are integral part of these financial statements.

As per our report of even date attached

For and on behalf of the Board

For Chaturvedi & Shah LLP

Chartered Accountants
Firm Registration No. : 101720W / W100355

Atul Tandon
Director

Yogesh Deshpande
Director

Lalit R. Mhalsekar
Partner
Membership No.: 103418

Abhishek Pacharia
Chief Financial Officer

Ishan Shah
Company Secretary & Manager

Mumbai
Date: April 29 2020

Mumbai
Date: April 29 2020

Reliance Exchangenext Limited
Cash flow Statement for the year ended March 31, 2020

(Amount in Rs.)

Particulars	For the year ended 2019-20	For the year ended 2018-19
Cash flows from operating activities		
Profit / (Loss) before tax:	(22 14 81 864)	(99 95 937)
Adjusted for:		
Excess provision / credit balance written back	-	(28 090)
Net gain/loss on fair value changes	19 40 05 983	(29 82 030)
Provision for doubtful debts	-	19 000
Interest expense	2 73 02 747	81 24 106
Operating profit before working capital changes	(1 73 134)	(48 62 951)
Adjusted for:		
Other non-financial assets	(27 900)	(14 130)
Other liabilities	82 02 500	1 72 40 049
Cash generated in operations	80 01 467	1 23 62 968
Taxes paid (net)	-	-
Net Cash generated / (used) in operating activities	80 01 467	1 23 62 968
Cash flows from investing activities		
Purchase of investment measured at FVTPL	-	(14 72 46 415)
Loan repaid	-	-
Net cash inflow / (outflow) from investing activities	-	(14 72 46 415)
Cash flows from financing activities		
Proceeds from borrowings	-	15 19 00 000
Repayment of borrowings	-	(1 25 00 000)
Interest paid	(81 24 106)	(41 39 556)
Net cash from financing activities	(81 24 106)	13 52 60 444
Net Increase / (Decrease) in Cash and Bank Balances	(1 22 639)	3 76 997
Add : Cash and cash equivalents at beginning of the year	5 14 705	1 37 707
Cash and cash equivalents at end of the year	3 92 065	5 14 705

The accompanying notes are integral part of these financial statements.

As per our report of even date attached

For and on behalf of the Board

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No. : 101720W / W100355

Atul Tandon

Director

Yogesh Deshpande

Director

Lalit R. Mhalsekar

Partner

Membership No.: 103418

Mumbai

Date: April 29 2020

Abhishek Pacharia

Chief Financial Officer

Ishan Shah

Company Secretary & Manager

Mumbai

Date: April 29 2020

Reliance Exchangenext Limited
Notes to the Financial Statements for the year ended March 31, 2020

Note 1 : Background

Reliance Exchangenext Limited ("the Company") has been incorporated on July 7, 2000 with the Registrar of Companies (RoC), Maharashtra, Mumbai. The Company's main object is to promote either on its own or in association with one or more entities to acquire, purchase or otherwise obtain the membership or trading rights and clearing membership in any Stock Exchanges which will be recognised under the provisions of Securities Contracts (Regulation) Act, 1956; Forward Contracts (Regulation) Act, 1952; Securities and Exchange Board of India Act, 1992; Reserve Bank of India Act, 1948 and other applicable laws for the time being in force including the Rules framed under the respective legislations.

Note 2: Significant Accounting Policies

Note 2.01 Basis of preparation

(i) The financial statements have been prepared on a historical cost basis, except for the assets and liabilities that require measurement at fair value in accordance with Ind AS.

(ii) The financial statements of the company are in accordance with Indian Accounting Standards as IND AS is applicable to Reliance Capital Limited, the Holding Company.

(iii) These financial statements are presented in Indian Rupees which is functional currency of the Company. All amounts are rounded off to the nearest rupee, unless stated otherwise.

Note 2.02 Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate affairs pursuant to section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statement.

Note 2.03 Use of Estimates

The preparation and presentation of financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial Statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates is recognised in the period in which the results are known / materialised. Estimates and underlying assets are reviewed on periodical basis. Revisions to accounting estimates are recognised prospectively.

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. The management also needs to exercise judgement in applying the accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical Estimates and Judgements

(i) Estimation of current tax expense and payable

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Note 2.04 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, bank overdraft, 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.

Note 2.05 Financial Instruments

A. Financial Assets

i) Classification

The company classifies its financial assets in the following measurement categories:

- 1) those to be measured subsequently at fair value (either through other comprehensive income, or through the statement of profit and loss), and
- 2) those measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the statement of profit or loss are expensed in the statement of profit and loss.

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

Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

a) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

b) Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). 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 which are recognised in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

c) Fair value through statement of profit or loss: Assets that do not meet the criteria for amortised cost are measured at fair value through statement of profit or loss. Interest income from these financial assets is included in other income.

iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Reliance Exchangenext Limited
Notes to the Financial Statements for the year ended March 31, 2020

iv) Derecognition of Financial Assets

A financial asset is derecognized only when

- 1) The company has transferred the rights to receive cash flows from the financial asset; or
- 2) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

B. Financial Liabilities

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Note 2.06 Borrowings

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets upto the commencement of commercial operations. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as an expense in the year in which they are incurred.

Note 2.07 Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

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 are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognize a contingent asset unless the recovery is virtually certain.

Note 2.08 Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when (or as) the Company satisfies a performance obligation by transferring a promised good or service to a customer.

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.

Note 2.09 Income Taxes

(i) 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. 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.

(ii) 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 consolidated financial statements. However, deferred tax liabilities are not recognised 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 realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

(iii) 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.

(iv) Current and deferred tax is recognised in the statement of profit and 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.

Note 2.10 Earnings Per Share

In determining Earnings per Share, the Company considers net profit after tax and includes post tax effect of any exceptional item. Number of shares used in computing basic earnings per share is the weighted average number of the shares, outstanding during the period. Dilutive earning per share is computed and disclosed after adjusting effect of all dilutive potential equity shares, if any except when result will be anti - dilutive. Dilutive potential equity Shares are deemed converted as at the beginning of the period, unless issued at a later date.

Reliance Exchangenext Limited
Notes to Financial Statements for the year ended March 31, 2020

(Amount in Rs.)

	As at March 31, 2020	As at March 31, 2019
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3 Cash and cash equivalents

Balances with banks:

In current accounts

3 92 065	5 14 705
3 92 065	5 14 705

(Amount in Rs.)

	Face Value / Issue Price Rs.	Quantity		Value	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019

4 Investments

Unquoted, fully paid-up - Fellow Subsidiary Company

Reliance Corporate Advisory Services Limited	10	1 76 50 000	1 76 50 000	6 58 34 500	18 55 00 000
Reliance Capital Pension Fund Limited	12	42 50 000	42 50 000	4 54 86 501	4 72 60 000

Unquoted, fully paid-up - Others

Indian Commodity Exchange Limited	5	8 71 00 000	8 71 00 000	85 61 93 000	83 00 63 000
Grover Zampa Vineyards Limited	63	23 54 132	23 54 132	4 85 30 431	14 72 27 415
				101 60 44 432	121 00 50 415

Notes:

- Investments has been valued using fair value through profit and loss account method.
- All the investments are made in India.

(Amount in Rs.)

	As at March 31, 2020	As at March 31, 2019
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5 Other non-financial assets

Advances given	19 000	19 000
Less: Provision for doubtful debts	19 000	19 000
Balance with government authorities	16 36 342	16 08 443
	16 36 342	16 08 443

Reliance Exchangenext Limited
Notes to Financial Statements for the year ended March 31, 2020

	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
6 Borrowings (other than debt securities)		
At amortised cost		
Inter-corporate Deposits - Unsecured		
- Related Party	4 83 00 000	4 83 00 000
- Others	14 73 00 000	14 73 00 000
(Refer note 24)		
Total (A)	19 56 00 000	19 56 00 000
 Borrowings in India	 19 56 00 000	 19 56 00 000
Borrowings outside India	-	-
Total (B)	19 56 00 000	19 56 00 000

	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
7 Other financial liabilities		
Interest accrued and due on borrowings	2 73 02 747	81 24 106
Advances from related parties (refer note 24)	2 59 00 000	1 77 00 000
Other payables	25 500	24 250
	5 32 28 247	2 58 48 356

	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
8 Provisions		
Others		
Provision for expenses	45 000	45 000
	45 000	45 000

	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
9 Other non-financial liabilities		
Statutory dues	6 250	5 000
	6 250	5 000

Reliance Exchangenext Limited
Notes to Financial Statements for the year ended March 31, 2020

(Amount in Rs.)				
	As at March 31, 2020		As at March 31, 2019	
	Quantity	Value	Quantity	Value
10 Equity share capital				
Authorised				
Equity shares of Rs. 10 each	4 30 00 000	43 00 00 000	4 30 00 000	43 00 00 000
Issued, subscribed & fully paid-up shares				
Equity shares of Rs. 10 each	4 22 60 000	42 26 00 000	4 22 60 000	42 26 00 000
	4 22 60 000	42 26 00 000	4 22 60 000	42 26 00 000

a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year.

(Amount in Rs.)				
	As at March 31, 2020		As at March 31, 2019	
	Qty	Amount	Qty	Amount
Outstanding at the beginning of the year	4 22 60 000	42 26 00 000	4 22 60 000	42 26 00 000
Stock options exercised under the ESOS	-	-	-	-
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	4 22 60 000	42 26 00 000	4 22 60 000	42 26 00 000

b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) The details of shareholders, holding more than 5% and shares held by the holding/ultimate holding company.

Name of the holder	As at March 31, 2020		As at March 31, 2019	
	Qty	%	Qty	%
Reliance Capital Limited	4 22 60 000	100%	4 22 60 000	100%

(Amount in Rs.)		
	As at March 31, 2020	As at March 31, 2019
11 Other Equity		
Securities premium account *	62 10 00 000	62 10 00 000
Surplus/(deficit) in the statement of profit and loss		
Opening balance	(5 29 24 794)	(4 29 28 857)
Net profit for the period	(22 14 81 864)	(99 95 937)
	<u>(27 44 06 658)</u>	<u>(5 29 24 794)</u>
Closing balance	34 65 93 342	56 80 75 206

*** Securities premium**

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Reliance Exchangenext Limited
Notes to Financial Statements for the year ended March 31, 2020

	(Amount in Rs.)	
	2019-20	2018-19
12 Revenue from Operations		
Net gain on fair value changes		
- on financials instruments at fair value through profit and loss	-	29 82 030
		29 82 030

	(Amount in Rs.)	
	2019-20	2018-19
13 Other income		
Excess provision / credit balance written back	-	28 090
	-	28 090

	(Amount in Rs.)	
	2019-20	2018-19
14 Finance costs		
On financial liabilities measured at amortised cost:		
Inter corporate deposits	2 73 02 747	81 24 106
	2 73 02 747	81 24 106

	(Amount in Rs.)	
	2019-20	2018-19
15 Net loss on fair value changes		
- on financials instruments at fair value through profit and loss	19 40 05 983	-
	19 40 05 983	

	(Amount in Rs.)	
	2019-20	2018-19
16 Other expenses		
Bank charges	4 148	2 611
Corporate social responsibility (CSR) expenditure	-	47 50 000
Rates and taxes	94 986	21 800
Legal & Professional Fees	24 000	38 540
Payments to auditors [refer note (a) below]	50 000	50 000
Provision for doubtful debts	-	19 000
	1 73 134	48 81 951

	(Amount in Rs.)	
	2019-20	2018-19
a) Remuneration		
Particulars		
Audit fees	50 000	50 000
Total	50 000	50 000

b) Contribution for Corporate Social Responsibility (CSR)		
Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the period Rs. Nil (previous year Rs. 47,50,000) which comprise of following:		
Particulars	2019-20	2018-19
Amount spent during the year on:		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	-	47 50 000
Total		47 50 000

17 Income tax

a) The components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

(Amount in Rs.)		
Particulars	2019-20	2018-19
Current tax	-	-
Adjustment in respect of current income tax of prior years	-	-
Deferred tax	-	-
Total	-	-

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, 2020 and March 31, 2019 is, as follows:

(Amount in Rs.)		
Particulars	2019-20	2018-19
Accounting profit before tax	(22 14 81 864)	(99 95 937)
Statutory income tax rate	26.00%	26.00%
Tax at India's statutory income tax rate	-	-
Tax effect of the amount which are not taxable in calculating taxable income :		
- Provision for Doubtful debts	-	-
- Reduction in opening deferred tax asset resulting from reduction in tax rate	-	-
- Increase in opening deferred tax asset resulting from increase in tax rate	-	-
- Deferred Tax asset not recognised in books on current year loss	-	-
- Other	-	-
Income tax expense at effective tax rate	-	-
Effective tax rate	0%	0%

c) Deferred tax assets / liabilities

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities / assets:

(Amount in Rs.)				
Particulars	As at April 1, 2018	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2019
Deferred tax liability :				
Property, plant and equipment	-	-	-	-
Net gain on changes in fair value of investments	-	7,75,328	-	7,75,328
	-	7,75,328	-	7,75,328
Deferred tax asset :				
Expenses allowable for tax purpose when paid	-	-	-	-
Impairment allowance for financial assets	-	-	-	-
Tax losses and unabsorbed depreciation	82 79 387	21,46,575	-	1 04 25 962
	82 79 387	21 46 575	-	1 04 25 962
Net deferred tax (asset) / liability	(82 79 387)	(13 71 247)	-	(96 50 634)

(Amount in Rs.)				
Particulars	As at April 1, 2019	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2020
Deferred tax liability :				
Property, plant and equipment	-	-	-	-
Net gain on changes in fair value of investments	7 75 328	-	-	7 75 328
	7 75 328	-	-	7 75 328
Deferred tax asset :				
Expenses allowable for tax purpose when paid	-	-	-	-
Impairment allowance for financial assets	-	-	-	-
Tax losses and unabsorbed depreciation	1 04 25 962	-	-	1 04 25 962
	1 04 25 962	-	-	1 04 25 962
Net deferred tax (asset) / liability	(96 50 634)	-	-	(96 50 634)

As at March 31, 2020 the company has carried forward losses and disallowance of expenses under the Income Tax Act, 1961. Deferred Tax Assets constitute mainly of carried forward losses and disallowance of expenses. However the availability of sufficient future taxable income against which such losses can be set off cannot be stated to be virtually certain. Hence the Company has not recognised any deferred tax asset in the current year.

Reliance Exchangenext Limited
Notes to Financial Statements for the year ended March 31, 2020

18 Earnings per share (EPS)

The basic & diluted earnings per share has been calculated based on the following:

(Amount in Rs.)

Particulars	2019-20	2018-19
Net profit after tax available for equity shareholders	(22 14 81 864)	(99 95 937)
Weighted average number of equity shares	4 22 60 000	4 22 60 000
Earnings per equity share (Basic and Diluted) as restated	(5.24)	(0.24)

Note: Since there are no Potential Anti Dilutive Equity Shares, the Basic EPS and Diluted EPS are same.

19 In case of Investment in equity shares of Indian Commodity Exchange Limited ('ICEX') :

As per share sale & purchase agreement dated October 13, 2010 between Indiabulls Financial Services Limited ("IBFSL") and Reliance Exchangenext Limited ('the Company'), the Company had acquired 5 20 00 000 equity shares of Indian Commodity Exchange Limited ('ICEX') from the IBFSL, at a purchase price of Rs. 47 35 00 000 which represents 26% stake in the of ICEX on December 13, 2010.

Pursuant to the ICEX application, Government of India and Forward Markets Commission granted their approval vide their letters dated September 23, 2010 & October 04, 2010, respectively, for the said transfer by IBFSL to the Company. The aforesaid approval from Government of India and Forward Markets Commission are subject to the following conditions: -

(a) that three years lock-in period condition shall apply to the Company, anchor investor, the Company afresh with effect from the date of Government approval, i.e., September 23, 2010;

(b) that in case MMTC Ltd., which now becomes co-anchor investor, exercises its right to stake a claim to 14% in the Exchange from IBFSL in pursuance to its right to first refusal, IBFSL will be bound to transfer its remaining 14% to MMTC Ltd. at the same price at which it has been offered to the Company.

On October 21, 2011, MMTC Ltd. submitted a petition before the Company Law Board (CLB), New Delhi, in terms of Sections 397, 398, 402 and 403 of the Companies Act, 1956, seeking declaration of the aforesaid transfer of shares as void, injunction and investigation into the affairs of the ICEX and appointment of Administrative Special Officer, Auditor, etc.

Subsequently, the ICEX has submitted its response to the aforesaid petition before the Honourable Company Law Board on February 10, 2012 refuting and denying the purported allegations against it. Subsequently, on February 11, 2014, MMTC has provided an affidavit to CLB stating that they are contemplating withdrawal of the Petition and taking required steps in that directions. The matter is under consideration by the Company Law Board. Any future financial impact on the financial statements is contingent upon the final order by the appropriate authority.

The Company responded to the petition, challenging the maintainability of the petition filed by MMTC Limited before the Hon'ble Company Law Board. Subsequently the Company has submitted its response to the aforesaid petition before the Hon'ble Company Law Board on February 10, 2012 refuting and denying the purported allegations against the exchange. MMTC on January 19, 2016 sold 10% of its stake in Exchange to outside investors at Rs. 10 per shares (including premium of Rs.5 per share). The matter is listed for hearing before NCLT.

20 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.

(Amount in Rs.)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	3 92 065	-	3 92 065	5 14 705	-	5 14 705
Investments	-	101 60 44 432	101 60 44 432	-	121 00 50 414	121 00 50 414
Non-financial assets						
Other non-financial assets	16 36 342	-	16 36 342	16 08 443	-	16 08 443
Total assets	20 28 407	101 60 44 432	101 80 72 839	21 23 148	121 00 50 414	121 21 73 562
LIABILITIES						
Financial liabilities						
Borrowings	-	19 56 00 000	19 56 00 000	-	19 56 00 000	19 56 00 000
Other financial liabilities	5 32 28 247	-	5 32 28 247	2 58 72 606	-	2 58 72 606
Non-financial Liabilities						
Provisions	45 000	-	45 000	45 000	-	45 000
Other non-financial liabilities	6 250	-	6 250	5 000	-	5 000
Total liabilities	5 32 79 497	19 56 00 000	24 88 79 497	2 59 22 606	19 56 00 000	22 15 22 606

21 Fair value measurement

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in current transaction between the willing parties, other than in a forced or liquidation sale.

The following methods and assumptions have been used to estimate the fair values:

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short term maturities of these instruments.

Financial Instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rate and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

Fair value hierarchy:

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurement) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Financial instruments by category

(Amount in Rs.)

Particulars	March 31, 2020			March 31, 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Equity Instruments - Unquoted	95 02 09 932	-	6 58 34 500	102 45 50 415	-	18 55 00 000
Cash and cash equivalents	-	-	3 92 065	-	-	5 14 705
Total financial assets	95 02 09 932	-	6 62 26 565	102 45 50 415	-	18 60 14 705
Financial liabilities						
Borrowings	-	-	19 56 00 000	-	-	19 56 00 000
Other Financial Liabilities			5 32 28 247			2 58 48 356
Total financial liabilities	-	-	24 88 28 247	-	-	22 14 48 356

22 Financial Risk Management

The Company's business activities expose it to financial risks, namely liquidity risk, credit risks and Market risk. The Company's management identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The activities are designed to protect the Company's financial investments, while maximising returns.

Credit risk management:

The Company is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents, carried at amortised cost or fair value through profit & loss, as well as credit exposures to trade/non-trade customers including outstanding receivables.

The Company manages credit risk from cash and cash equivalents by ensuring only high rated banks/financial institutions are accepted for banking relationship.

Liquidity risk management:

Liquidity risk is the risk that the Company will face difficulty in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due. For doing this, the Company maintained a cautious funding strategy, with a positive cash balance throughout the year.

Market Risk Management :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise of price risk and interest rate risk. Financial instruments affected by market risk include FVTPL investments. The price risk arises due to uncertainties about the future market values of these investments. To manage its price risk arising from investments in equity securities, the Company invests only in accordance with the limits set by the Company.

Sensitivity analysis

As an estimation of the approximate impact of price risk and interest rate risk exposure, with respect to equity instruments and borrowings respectively, the company has calculated the impact as follows :

Particulars	(Amount in Rs.)	
	Impact on other components of equity	
	As at March 31, 2020	As at March 31, 2019
For unquoted equity instruments		
Price increase by 5%	5 08 02 222	6 05 02 521
Price decrease by 5%	(5 08 02 222)	(6 05 02 521)

23 Capital management

Capital of the Company, for the purpose of capital management, include issued capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise shareholders value and ensure that the minimum capital requirement as per the statutory requirement are adequately met.

Reliance Exchangnext Limited
Notes to Financial Statements for the year ended March 31, 2020

24 Related party transactions

As per Ind AS 24 "Related Party Disclosure", the Companies related parties and transactions with them in the ordinary course of business are discussed below.

A. List of Related Parties and their relationship:

- i) Holding Company
Reliance Capital Limited
- iii) Key management personnel
Mr. Ishan Shah - Company Secretary & Manager
Mr. Abhishek Pacharia - Chief Financial Officer

B. Fellow Subsidiaries

Reliance Capital Pension Fund Limited
Nippon Life India Trustee Limited (formerly Reliance Capital Trustee Co. Limited) (ceased w.e.f. September 27, 2019)
Reliance General Insurance Company Limited
Reliance Nippon Life Insurance Company Limited
Reliance Commercial Finance Limited
Reliance Health Insurance Limited
Reliance Home Finance Limited (ceased w.e.f. March 5, 2020)
Reliance Securities Limited
Reliance Wealth Management Limited
Reliance Corporate Advisory Services Limited
Reliance Commodities Limited
Reliance Financial Limited
Reliance Money Precious Metals Private Limited
Reliance Money Solutions Private Limited
Nippon Life India AIF Trustee Private Limited (formerly Reliance Capital AIF Trustee Company Private Limited) (ceased w.e.f. September 27, 2019)
Quant Capital Private Limited
Quant Broking Private Limited
Quant Securities Private Limited
Quant Investment Services Private Limited
Gulfoss Enterprises Private Limited
Reliance Underwater Systems Private Limited (w.e.f. August 16, 2019)

C. Transactions during the year with related parties:

	(Amount in Rs.)			
Particulars	Reliance Capital Limited	Reliance Capital Pension Fund Limited	Reliance Corporate Advisory Services Limited	Total
Share Capital				
Balance of Equity Shares as at				
March 31 2020	42 26 00 000	-	-	42 26 00 000
March 31 2019	(42 26 00 000)	(-)	(-)	(42 26 00 000)
Unsecured Loans				
Received during				
2019-20	-	-	-	-
2018-19	(11 10 00 000)	(-)	(-)	(11 10 00 000)
Repaid during				
2019-20	-	-	-	-
2018-19	(11 95 00 000)	(-)	(-)	(11 95 00 000)
Balance as at				
March 31 2020	4 83 00 000	-	-	4 83 00 000
March 31 2019	(4 83 00 000)	(-)	(-)	(4 83 00 000)
Advances Received				
Received during				
2019-20	-	-	82 00 000	82 00 000
2018-19	(-)	(-)	(1 77 00 000)	(1 77 00 000)
Investments				
Balance as at (Gross)				
March 31 2020	-	4 72 60 000	18 55 00 000	23 27 60 000
March 31 2019	(-)	(4 72 60 000)	(18 55 00 000)	(23 27 60 000)
Income from operations				
Expenses				
Fair value change				
2019-20	-	17 73 499	11 96 65 500	12 14 38 999
2018-19	(-)	(-)	(-)	(-)
Interest on ICD				
2019-20	58 11 879	-	-	58 11 879
2018-19	(70 08 460)	(-)	(-)	(70 08 460)

Notes :

- Figures in Bracket represent previous year figures.
- Expenses incurred towards public utility services such as telephone and electricity charges have not been considered for related party transaction.
- The above discloses transactions entered during the period of existence of related party relationship. The balances and transactions are not disclosed before existence of related party relationship and after cessation of related party relationship.

Reliance Exchangenext Limited

Notes to Financial Statements for the year ended March 31, 2020

Note 25: Segment information

The Company has no separate reportable business segment. Further, the Company has no geographical segment other than India.

Note 26: Going concern

To make its future debt obligation, the company has entered into an agreement with the buyers for sale of its investment held by the company for that the company already received the advance of Rs 2.79 crores, accordingly the company prepares its account on going concern basis.

Note 27: The management has identified enterprise which has provided goods and services to the company and which qualify under the definition of medium, micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. At any point of time during the year there is no liability due for payment to such micro, small and medium enterprises.

Note 28: The financial statements were authorised for issue by the Company's Board of Directors on April 29, 2020.

As per our report of even date attached

For and on behalf of the Board

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No. : 101720W / W100355

Atul Tandon
Director

Yogesh Deshpande
Director

Lalit R. Mhalsekar
Partner

Membership No.: 103418

Abhishek Pacharia
Chief Financial Officer

Ishan Shah
Company Secretary & Manager

Place : Mumbai
Date: April 29, 2020

Place : Mumbai
Date: April 29, 2020