

Financial Statement

2014-15

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, 2015, the Statement of Profit and Loss, 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 provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' 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 there under.

We conducted our audit 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies

used and the reasonableness of the accounting estimates made by 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:

- a) of the state of affairs of the Company as at March 31, 2015;
- b) of the loss for the year ended on that date; and
- c) of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ('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 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 it appears from our examination of those books.
 - 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 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 March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, 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 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; and

- (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, 2015.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No.101720W

Vitesh D. Gandhi
Partner

Membership No: 110248

Place: Mumbai
Date: May 4, 2015

ANNEXURE TO AUDITOR'S REPORT

Referred to in Paragraph 1 under the heading "Report on legal and regulatory requirements" of our report of even date,

1. In respect of its fixed assets:

(a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

2. The Company did not have any inventory at anytime during the year. Hence, the requirements of clause (ii) of paragraph 3 of the said order are not applicable to the Company.

3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to any companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of Clauses (iii,a) and (iii,b) 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, there is an adequate internal control commensurate with the size of the Company and the nature of its business in respect of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.

5. The Company has not accepted any deposits during the year within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules made there under. Accordingly, the provisions of Clause (v) of paragraph 3 of the Order are not applicable.

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 Companies Act, 2013.

7. In respect of statutory dues:

(a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues, with the

appropriate authorities. According to the information and explanations given to us, no undisputed dues are outstanding as at March 31, 2015 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 disputed dues in respect of income tax, wealth tax, sales tax, service tax, duty of customs, duty of excise, value added tax and cess, which have not been deposited on account of any dispute.

(c) According to the information and explanations given to us, there are no amounts required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder for the year ended March 31, 2015.

8. The Company has no accumulated losses as at March 31, 2015. The Company has incurred cash losses in the current financial year and in the immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions. The Company does not have any borrowings from bank and the Company did not have any outstanding debentures during the year.
10. According to the information and explanations given to us and records made available to us, the Company has not given any guarantees for loans taken by others, from banks or Financial Institutions.
11. According to the information and explanations given to us, the Company has not availed any term loan during the year.
12. 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 material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No.101720W

Vitesh D. Gandhi
Partner

Membership No: 110248

Place: Mumbai
Date: May 4, 2015

**Reliance Commodities Limited
Financial Statement
as at March 31, 2015**

RELIANCE COMMODITIES LIMITED

BALANCE SHEET AS AT MARCH 31, 2015

Particulars	Note	March 31, 2015 Amount in ₹	March 31, 2014 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	5,01,57,754	8,23,27,341
2 Non current liabilities			
(a) Long term provisions	4	4,91,519	1,21,431
3 Current liabilities			
(a) Short term borrowings	5	-	2,69,82,553
(b) Trade payables	6	26,51,13,170	23,48,90,682
(c) Other current liabilities	7	2,03,30,382	2,33,56,359
(d) Short term provisions	8	17,60,808	16,887
TOTAL		36,78,53,633	39,76,95,253
II. ASSETS			
1 Non current assets			
(a) Fixed assets	9		
(i) Tangible assets		4,78,830	7,40,204
(ii) Intangible assets		26,01,571	16,17,321
(b) Non current investments	10	20,000	20,000
(c) Long term loans and advances	11	1,64,37,582	1,33,10,371
(d) Other non current assets	12	5,00,000	6,00,000
2 Current assets			
(a) Trade receivables	13	1,34,94,985	3,66,31,772
(b) Cash and bank balances	14	31,57,12,079	32,30,12,957
(c) Short term loans and advances	15	1,62,78,216	1,42,67,804
(d) Other current assets	16	23,30,370	74,94,824
TOTAL		36,78,53,633	39,76,95,253
Significant accounting policies Note on financial statements	1 to 30		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For Chaturvedi & Shah
Firm registration No. 101720W
Chartered Accountants

For and on behalf of the Board of Directors

Vitesh D. Gandhi
Partner
Membership No.: 110248

Amit Bapna
Director
DIN : 00008443

Rajeev Srivastava
Director
DIN : 07053900

Place : Mumbai
Date : May 4, 2015

RELIANCE COMMODITIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

	Note	April 1, 2014 to March 31, 2015 Amount in ₹	April 1, 2013 to March 31, 2014 Amount in ₹
I. Revenue from operations	17	6,22,00,675	7,88,55,392
II. Other income	18	2,60,22,116	3,03,62,568
III. Total Revenue (A)		8,82,22,791	10,92,17,960
IV Expenses:			
Operating expenses	19	2,90,93,562	3,03,76,081
Employee benefits expenses	20	4,15,91,400	4,81,86,486
Finance cost	21	58,955	6,26,888
Depreciation and amortization expense	9	7,77,703	4,67,760
Administrative and other expenses	22	4,98,17,701	5,12,23,519
Total Expenses (B)		12,13,39,321	13,08,80,734
V Loss before exceptional items and tax (A-B)		(3,31,16,530)	(2,16,62,774)
VI Exceptional items		-	-
VII Loss before tax (V-VI)		(3,31,16,530)	(2,16,62,774)
VIII Tax expense:			
Current tax		-	-
Deferred tax asset		-	-
Tax for earlier years		(9,81,105)	-
IX Loss for the year (VII-VIII)		(3,21,35,425)	(2,16,62,774)
Earning per share on Equity Shares of Rs. 10 each (Refer note 27)			
- Basic		(10.71)	(7.22)
- Diluted		(10.71)	(7.22)
Significant Accounting Policies			
Note on financial statements 1 to 30			

The accompanying notes form an integral part of the financial statements

As per our report of even date

For Chaturvedi & Shah
Firm registration No. 101720W
Chartered Accountants

For and on behalf of the Board of Directors

Vitesh D. Gandhi
Partner
Membership No.: 110248

Amit Bapna
Director
DIN : 00008443

Rajeev Srivastava
Director
DIN : 07053900

Place : Mumbai
Date : May 4, 2015

RELIANCE COMMODITIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	April 1, 2014 to March 31, 2015 Amount in ₹	April 1, 2013 to March 31, 2014 Amount in ₹
A. Cash Flow From Operating Activities :		
Net loss before tax as per statement of profit and loss	(3,31,16,530)	(2,16,62,774)
Adjustments for :		
Depreciation	7,77,703	4,67,760
Bad debts written off	2,41,44,464	2,34,54,060
Interest on income tax refund	(91,361)	(12,767)
Interest expenses	58,955	6,26,888
Profit on sale on investments	(17,04,648)	(11,81,895)
Operating Profit Before Working Capital Changes	(99,31,417)	16,91,272
Adjustments for :		
(Increase)/ Decrease in trade receivable	(10,07,677)	(7,66,119)
(Increase)/ Decrease in short term loans and advances	(20,10,414)	(17,88,846)
Increase in long term loans and advances	-	(16,22,000)
Increase in current liabilities	(30,25,978)	40,54,728
Increase/ (Decrease) in trade payables	3,02,22,489	2,32,71,628
Decrease in longer term provision	3,70,088	(40,170)
Decrease in short term provision	17,43,922	(1,532)
(Increase)/ Decrease in other current assets	51,64,454	(15,10,531)
Net bank balances not considered as cash and cash equivalents	6,37,00,000	59,00,000
Cash (Used In)/ Generated From Operations	8,52,25,467	2,91,88,430
Payment of taxes (net of refunds)	(20,54,745)	(45,05,357)
Net Cash Flow From Operating Activities (A)	8,31,70,722	2,46,83,073
B. Cash Flow From Investing Activities :		
Purchase of fixed assets	(15,34,740)	(4,65,900)
(Purchase)/ Sale of investments (net)	17,04,648	11,81,895
Net Cash Flow From Investment Activities (B)	1,69,908	7,15,995
C. Cash Flow From Financing Activities :		
Proceeds/ (Repayment) from/ of borrowings (net)	(2,69,82,553)	36,00,381
Interest expenses	(58,955)	(6,26,888)
Net Cash From/(used in) Financing Activities (C)	(2,70,41,508)	29,73,493
Net Increase In Cash Or Cash Equivalents (A+B+C)	5,62,99,122	2,83,72,561
Cash And Cash Equivalents at the beginning of the year	2,94,12,957	10,40,396
Cash And Cash Equivalents as at the end of the year	8,57,12,079	2,94,12,957

Fixed Deposits with banks having original maturity of more than three months aggregating to Rs. 230,500,000 (Previous year Rs. 294,200,000) are not readily liquid and have been excluded from Cash and cash equivalents (Refer note 12 and 14).

Component of cash and cash equivalents (Refer note 29)

The accompanying notes form an integral part of the financial statements

As per our report of even date

For Chaturvedi & Shah
Firm registration No. 101720W

For and on behalf of the Board of Directors

Vitesh D. Gandhi
Partner
Membership No.: 110248

Amit Bapna
Director
DIN : 00008443

Rajeev Srivastava
Director
DIN : 07053900

Place : Mumbai
Date : May 4, 2015

RELIANCE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

NOTE 1

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 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.

The financial statements are presented in Indian rupees.

2.2 Use of estimates

The preparation of financial statements is in conformity with Generally Accepted Accounting Principles (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 and other Brokerage plan fees are recognized on trade date basis exclusive of service tax .
- (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.

2.4 Investments

Purchase and sale of investments are recorded on trade date.

Investments are classified into non current investments and current investments. Investments which are intended to be held for more than one year are classified as non current investments and investments which are intended to be held for less than one year, are classified as current investments. Non current investments are stated at cost and a provision for diminution in value of non current investments is made only if the decline is other than temporary in the opinion of the management. Current investments are valued at cost or market/fair value whichever is lower. In case of investments in mutual funds, the net asset value of units is considered as market/fair value.

2.5 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.

RELIANCE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015 (CONTINUED..)

(Currency: Indian Rupee)

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.

2.6 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 of the assets as specified in Schedule II to the Companies Act, 2013.

The rates of depreciation for various assets are as follows:

Assets	Rate - April 1, 2014-March 31, 2015	Rate - April 1, 2013-March 31, 2014
Office Equipments	Over a period of 5 Years	4.75%
Furniture and Fixtures	Over a period of 10 Years	6.33%
Data Processing Equipments	Over a period of 3 Years	16.21%

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 (previous year 16.21% SLM)

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

2.7 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.

2.8 Foreign currency transactions

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

RELIANCE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015 (CONTINUED..)

(Currency: Indian Rupee)

2.9 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.

2.10 Taxation

a. 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.

b. 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.

2.11 Inventory valuation

Items of inventories are measured at lower of cost or net releasable value, after providing for obsolescence if any. Cost of inventories comprises of all cost of purchase, cost of conversion and other cost incurred in bringing them to their respective location and condition. The company adopts weighted average method for determining the cost.

2.12 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.

RELIANCE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015 (CONTINUED..)

(Currency: Indian Rupee)

2.13 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

2.14 Preliminary Expenses:

Preliminary expenses are charged to statement of profit and loss in the year in which it is incurred.

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.

RELIANCE COMMODITIES LIMITED
NOTES FORMING PART OF THE BALANCE SHEET

NOTE 2
SHARE CAPITAL

	As at 31st March 2015		As at 31st March 2014	
	<u>No. of shares</u>	<u>Amount in ₹</u>	<u>No. of shares</u>	<u>Amount in ₹</u>
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>

Note:

1. Terms and Rights attached to shares

- Equity Share:

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, 2015 and March 31, 2014 is set out below

	As at 31st March 2015		As at 31st March 2014	
	<u>No. of shares</u>	<u>Amount in ₹</u>	<u>No. of shares</u>	<u>Amount in ₹</u>
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 as at March 31, 2015 and March 31, 2014 set out below :

	As at 31st March 2015		As at 31st March 2014	
	<u>No. of shares</u>	<u>% held</u>	<u>No. of shares</u>	<u>% held</u>
Equity shares				
Reliance Capital Limited and its nominees	30,00,000	100%	30,00,000	100%

RELIANCE COMMODITIES LIMITED
NOTES FORMING PART OF THE BALANCE SHEET

	March 31, 2015 Amount in ₹	March 31, 2014 Amount in ₹
NOTE 3		
RESERVES AND SURPLUS		
Surplus (balance as per statement of profit and loss)		
As per last balance sheet	8,23,27,341	10,39,90,115
Less: Effects of depreciation as per Companies Act 2013	(34,162)	-
Add: Net Loss for the year	(3,21,35,425)	(2,16,62,774)
TOTAL	5,01,57,754	8,23,27,341
NOTE 4		
LONG TERM PROVISIONS		
Provision for leave Encashment	4,91,519	1,21,431
TOTAL	4,91,519	1,21,431
NOTE 5		
SHORT TERM BORROWINGS		
Overdraft from banks - Secured (Secured against fixed deposit receipts of ₹ 5 Crores (Previous year Rs 5 Crores))	-	2,69,82,553
TOTAL	-	2,69,82,553
NOTE 6		
TRADE PAYABLES		
Margin money deposits	26,28,40,379	23,28,40,193
Other trade payables	22,72,791	20,50,489
TOTAL	26,51,13,170	23,48,90,682
NOTE 7		
OTHER CURRENT LIABILITIES		
Provision for expenses	13,83,507	57,42,700
Deposits received from sub brokers	10,73,865	8,99,865
Other payables		
- Statutory liabilities	11,91,217	17,38,391
- Payable to or on behalf of employees	3,80,068	67,109
- Other payables	1,63,01,725	1,49,08,294
TOTAL	2,03,30,382	2,33,56,359
NOTE 8		
SHORT TERM PROVISIONS		
Provision for gratuity	17,08,619	-
Provision for leave Encashment	52,189	16,887
TOTAL	17,60,808	16,887

RELIANCE COMMODITIES LIMITED
NOTES FORMING PART OF THE BALANCE SHEET

NOTE 9

(FIXED ASSETS - AT COST)

Description of Assets	GROSS BLOCK				DEPRECIATION/AMORTISATION					NET BLOCK	
	As at April 1, 2014	Additions during the Year	Deletions during the Year	As at March 31, 2015	Up to April 1, 2014	Adjustments during year	For the year	Deletions during the year	Up to March 31, 2015	As at March 31, 2015	As at March 31, 2014
Tangible Assets											
Lease hold improvements	-	-	-	-							
Data processing equipments	5,62,375	1,16,734	-	6,79,109	1,15,063	34,162	1,86,462	-	3,35,687	3,43,422	4,47,312
Furniture and Fixture	7,630	-	-	7,630	7,630	-	-	-	7,630	-	-
Office Equipments	3,49,100	-	-	3,49,100	56,208	-	1,57,484	-	2,13,692	1,35,408	2,92,892
Total Tangible assets	9,19,105	1,16,734	-	10,35,839	1,78,901	34,162	3,43,946	-	5,57,009	4,78,830	7,40,204
Intangible Assets (Other than internally generated)											
Software	54,55,701	14,18,006	-	68,73,707	38,38,380	-	4,33,757	-	42,72,137	26,01,571	16,17,321
Total Intangible assets	54,55,701	14,18,006	-	68,73,707	38,38,380	-	4,33,757	-	42,72,137	26,01,571	16,17,321
Total	63,74,806	15,34,740	-	79,09,546	40,17,281	34,162	7,77,703	-	48,29,146	30,80,401	23,57,525
<i>As at March 31, 2014</i>	<i>59,08,906</i>	<i>4,65,900</i>	<i>-</i>	<i>63,74,806</i>	<i>35,49,521</i>	<i>-</i>	<i>4,67,760</i>	<i>-</i>	<i>40,17,281</i>	<i>23,57,525</i>	

Note: Effective April 1, 2014, pursuant to and in line with the requirements of Schedule II to the Companies Act, 2013, the company has revised the useful lives of tangible fixed assets including their major component and effected the following changes with respect to provision for depreciation :

(i) In respect of assets where the remaining useful life as on April 1, 2014 is 'Nil', their carrying amounts after retaining the residual value if any, aggregating ₹ 34,162, has been adjusted against the opening balance of retained earnings as on that date.

(ii) In respect of all other assets, depreciation is provided under the Straight Line Method (SLM) as per Schedule II to the Companies Act, 2013. Their carrying amounts as at April 1, 2014 are depreciated over their remaining useful lives. Pursuant to this, the depreciation for the year is higher by ₹ 254,180 .

RELIANCE COMMODITIES LIMITED
NOTES FORMING PART OF THE BALANCE SHEET

	March 31, 2015 Amount in ₹	March 31, 2014 Amount in ₹
NOTE 10		
NON CURRENT INVESTMENTS		
Unquoted at cost		
Investment in government securities - 6 year NSC VIII issue (Pledged with Sales tax authorities)	20,000	20,000
TOTAL	20,000	20,000
NOTE 11		
LONG TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Deposits	87,99,000	87,99,000
Advance income tax	76,38,582	45,11,371
TOTAL	1,64,37,582	1,33,10,371
NOTE 12		
OTHER NON-CURRENT ASSETS		
(Unsecured, considered good)		
Other bank balances		
- In fixed deposit accounts more than 12 months		
- Under lien	5,00,000	6,00,000
TOTAL	5,00,000	6,00,000
NOTE 13		
TRADE RECEIVABLES (UNSECURED)		
Trade Receivables		
- Considered good	1,34,94,985	3,66,31,772
- Considered doubtful	28,24,000	28,24,000
Less : Provision for doubtful debts	(28,24,000)	(28,24,000)
TOTAL	1,34,94,985	3,66,31,772
Outstanding for		
- more than six months	68,65,067	3,39,00,811
- less than six months	66,29,918	27,30,961
NOTE 14		
CASH AND BANK BALANCES		
(A) Cash and cash equivalents		
Balance with banks		
- In current accounts	8,51,12,079	2,94,12,957
- In fixed deposits maturing within 3 months	6,00,000	-
	8,57,12,079	2,94,12,957
(B) Other bank balances		
- In fixed deposits maturing within 12 months		
- Liened for making bank guarantees	18,00,00,000	24,36,00,000
- Liened against overdraft facility	5,00,00,000	5,00,00,000
	23,00,00,000	29,36,00,000
TOTAL	31,57,12,079	32,30,12,957
NOTE 15		
SHORT TERM LOANS AND ADVANCES		
(Unsecured and considered good unless otherwise stated)		
Advance to vendors	8,42,303	19,82,935
Contribution to employee gratuity fund	-	1,29,276
Margin money with exchanges	1,48,12,614	1,08,12,614
Service tax input	6,23,299	13,42,979
TOTAL	1,62,78,216	1,42,67,804
NOTE 16		
OTHER CURRENT ASSETS		
Accrued interest	23,30,370	74,94,824
TOTAL	23,30,370	74,94,824

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

	April 1, 2014 to March 31, 2015 Amount in ₹	April 1, 2013 to March 31, 2014 Amount in ₹
NOTE 17		
REVENUE FROM OPERATIONS		
Operating Income		
Brokerage and brokerage plan fees	6,61,65,994	8,36,96,278
Less: service tax recovered	(74,19,691)	(92,06,889)
Other operating income	38,92,033	49,05,641
Less: service tax recovered	(4,37,661)	(5,39,638)
TOTAL	6,22,00,675	7,88,55,392
NOTE 18		
OTHER INCOME		
Interest:		
- on fixed deposits	2,30,41,055	2,88,72,054
- on refund of income tax	91,361	12,767
Profit on sale of investments	17,04,648	11,81,895
Unclaimed liability written back	14,139	-
Other income	11,70,913	2,95,852
TOTAL	2,60,22,116	3,03,62,568
NOTE 19		
OPERATING EXPENSES		
Referral Fees	2,90,93,562	3,03,76,081
TOTAL	2,90,93,562	3,03,76,081
NOTE 20		
EMPLOYEE BENEFITS EXPENSES		
Salary, bonus and allowances	3,66,03,335	4,53,30,192
Contribution to provident fund and other funds	38,47,043	21,30,042
Staff welfare Expenses	11,41,022	7,26,252
TOTAL	4,15,91,400	4,81,86,486
NOTE 21		
FINANCE COST		
Interest Cost	58,955	6,26,888
TOTAL	58,955	6,26,888
NOTE 22		
ADMINISTRATIVE AND OTHER EXPENSES		
Rent	38,94,365	55,77,750
Insurance	6,37,912	5,07,956
Communication expenses	22,49,425	35,86,808
Advertisement expenses	9,35,567	15,25,045
Printing and stationery	2,98,489	5,38,789
Professional charges	57,91,985	29,36,463
Travelling, conveyance and motor car expenses	33,76,961	40,97,137
Bank charges	18,61,337	22,30,127
Filing fees and stamp duty	2,26,290	98,532
Software expenses	55,87,182	34,98,996
Membership and subscription	1,50,000	1,91,423
Stock exchange expenses	1,02,029	2,92,401
Donations	-	2,00,000
Bad debts written off	2,41,44,464	2,34,54,060
Auditors remuneration		
- Audit fees	3,50,000	3,50,000
- Other services	50,000	-
Office administration expenses	1,61,695	21,38,032
TOTAL	4,98,17,701	5,12,23,519

RELIANCE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(Currency: Indian Rupees)

	As At March 31, 2015	As At March 31, 2014
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	10,00,00,000	10,00,00,000
- Collateral security deposit in favour of Multi Commodity Exchange of India	10,00,00,000	18,25,00,000
ii Claims not acknowledged as debts	1,32,60,616	28,10,616

24 Segment Information for the Year ended March 31, 2015

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, 2015 and the statement of profit and loss for the year ended March 31, 2015 pertain to one business segment and related activities as per Accounting Standard (AS) 17 on "Segment Reporting".

25 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 Innoventures Private Limited*	Ultimate Holding Company (Up to March 25, 2015)
--	---

(B) Holding

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

Fellow subsidiaries &

(C) associates

Reliance Securities Limited	Fellow subsidiary
Reliance Wealth Management Limited*	Fellow subsidiary
Reliance Money Solutions Private Limited*	Fellow subsidiary (w.e.f. December 2, 2013)
Reliance Capital Asset Management Company Limited	Fellow subsidiary*
Reliance Financial Limited	Fellow subsidiary*
Reliance Infrastructure Finance Private Limited	Fellow subsidiary*
Reliance Money Express Limited	Fellow subsidiary*
Reliance General Insurance Co Limited	Fellow subsidiary

(D) Key management personnel

Directors of the Company	Mr. Amit Bapna*
	Mr. V.R.Mohan*
	Mr. Sanjay Wadhwa* (Upto February 23, 2015)
	Mr. Rajeev Srivastava* (w.e.f. February 23, 2015)

Note : * No transaction taken place during the year

RELIANCE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(Currency: Indian Rupees)

(E) Transactions with related parties during the year :

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
	Holding company	Fellow Subsidiaries & associates	Holding company	Fellow Subsidiaries
Opening balance	-	-	-	-
Taken during the year	-	40,00,000	-	-
Repaid during the year	-	40,00,000	-	-
Closing balance	-	-	-	-
Interest expenses on inter corporate deposits	-	5,425	-	-
Receipts / (Payments)				
Reimbursement of expenses	-	43,73,533	-	1,64,19,009
Employees & Parents Medical Insurance Premi	-	8,11,660	-	-
Receivable / (Payable)	(1,43,37,911)	3,55,729	(1,43,37,911)	4,934

(F) The nature and volume of material transaction for the year with above related parties are as follows

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
	Holding Company	Holding Company
Reliance Capital Limited		
Receivable / (Payable)	(1,43,37,911)	(1,43,37,911)
Particulars	Year ended 31st March, 2015	Year ended 31st March, 2014
	Fellow Subsidiaries	Fellow Subsidiaries
Reliance Securities Limited		
Receipts / Payments		
Reimbursement of expenses - payments	43,73,533	1,64,19,009
Receivable / (Payable)	-	4,934
Reliance General Insurance Co Limited		
Employees & Parents Medical Insurance Premium	8,11,660	-
Receivable / (Payable)	3,55,729	-
Reliance Financial Limited		
Intercompany deposit taken		
Opening balance	-	-
Taken during the year	40,00,000	-
Repaid during the year	40,00,000	-
Closing balance	-	-
Interest expenses on inter corporate deposits	5,425	-

RELIANCE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(Currency: Indian Rupees)

Operating lease

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

	March 31, 2015	March 31, 2014
Rental payments of assets (net)	38,94,365	55,35,750

27 Employee Benefits

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

A. Defined Contribution Plans:

	March 31, 2015	March 31, 2014
Employer's Contribution to Provident Fund (includes administration charges) - Note 20)	20,09,148	18,01,161

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 (Funded)		Leave Encashment Benefits (Un-Funded)	
I. Reconciliation of opening and closing balances of Defined Benefit Obligation :	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
Liability at the beginning of the year	14,93,252	15,14,458	1,38,318	1,80,019
Interest Cost	1,40,067	1,21,157	12,974	14,402
Current Service Cost	2,71,084	3,54,690	58,126	70,075
Benefit Paid	(4,56,207)	(3,22,173)	(26,195)	(1,55,336)
Actuarial (gain)/loss on obligations	16,60,881	(1,74,880)	3,60,485	29,158
Liability at the end of the year	31,09,077	14,93,252	5,43,708	1,38,318

RELIANCE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(Currency: Indian Rupees)

II. Reconciliation of opening and closing balances of fair value of Plan Assets :	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
Fair Value of Plan Assets at the beginning of th	16,22,528	18,87,409	-	-
Expected Return on Plan Assets	1,52,193	1,64,205	-	-
Contributions	-	-	-	-
Benefit Paid	(4,56,207)	(3,22,173)	-	-
Actuarial gain/(loss) on Plan Assets	81,944	-1,06,913	-	-
Fair Value of Plan Assets at the end of the year	14,00,458	16,22,528	-	-

III. Reconciliation of fair value of assets and obligations :	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
Liability at the end of the year	-31,09,077	14,93,252	(5,43,708)	1,38,318
Fair value of plan assets at the end of the year	14,00,458	16,22,528	-	-
(Asset) / Liability Recognised in the Balance Sh	(1,708,619)#	(129,276)##	(543,708)#	138,318*

Included under 'Short term provisions' (Refer Note 8)

Included under 'Short term loans and advances' (Refer Note 15)

* Included under 'Long term/short term provisions' (Refer Note 4 & Note 8)

IV. Expenses recognised during the year :	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
Current Service Cost	2,71,084	3,54,690	58,126	70,075
Interest Cost	1,40,067	1,21,157	12,974	14,402
Expected Return on Plan Assets	(1,52,193)	(1,64,205)	-	-
Net Actuarial (Gain)/Loss To Be Recognised	15,78,937	(67,967)	3,60,485	29,158
Expense Recognised in statement of profit and loss	18,37,895	2,43,675	4,31,585	1,13,635

V. Investment details :

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

VI. Assumptions :	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
Discount Rate (per annum)	7.98%	9.38%	7.98%	9.38%
Rate of Return on Plan Assets	7.98%	9.38%	0%	0%
Salary Escalation	6.00%	5.50%	6.00%	5.50%

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, 2015

(Currency: Indian Rupees)

VII. - Particulars of amounts for the year and previous years	Gratuity for the year ended March 31,				
	2015	2014	2013	2012	2011
Defined Benefit Obligation At The End of the Year	31,09,077	14,93,252	15,14,458	8,18,768	4,90,245
Fair Value Plan Asset At The End of the Year	14,00,458	16,22,528	18,87,409	6,29,288	6,07,603
Excess of Obligation Over Plan Asset	17,08,619	(1,29,276)	(3,72,951)	1,89,480	(1,17,358)
Expreience Adjustment on Plan Liability (Gain)/Loss	16,60,881	(1,74,880)	3,85,493	1,12,739	(78,087)
Actuarial Gain /(Loss) due to Plan Asset	81,944	(1,06,913)	(1,979)	(28,442)	(6,337)

27 Earnings per share

Particulars	March 31, 2015	March 31, 2014
Net profit/(Loss) after tax as per statement of profit and loss	(3,21,35,425)	(2,16,62,774)
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	(10.71)	(7.22)

28 Deferred tax assets/liabilities:

	March 31, 2015	March 31, 2014
Deferred Tax Assets		
Brought forward losses	#VALUE!	76,33,095
Provision for Leave	1,76,406	63,307
Provision for gratuity	5,54,361	
Provision for doubtful debts	-	9,16,247
Deferred Tax Assets	#VALUE!	86,12,649
Deferred Tax Liabilities		
Depreciation	#VALUE!	3,59,169
Deferred Tax Liabilities	#VALUE!	3,59,169
Net Deferred Tax (Assets)/Liabilities*	#VALUE!	(82,53,480)

* Note: The company has deferred tax assets in the form of disallowance under income tax. The company has recognised deferred tax assets only to the extent of deferred tax liability. On conservative basis, such excess deferred tax asset has not been recognised.

RELIANCE COMMODITIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

(Currency: Indian Rupees)

	March 31, 2015	March 31, 2014
29 Component of cash and cash equivalents		
Balance with banks in current accounts	8,51,12,079	2,94,12,957
In fixed deposits maturing within 3 months	6,00,000	-
	<u>8,57,12,079</u>	<u>2,94,12,957</u>

30 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 Chaturvedi & Shah
Firm registration No. 101720W
Chartered Accountants

For and on behalf of the Board of Directors

Vitesh D. Gandhi
Partner
Membership No.: 110248

Amit Bapna
Director
DIN : 00008443

Rajeev Srivastava
Director
DIN : 07053900

Place : Mumbai
Date : May 4, 2015