

Financial Statement

2015-16

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, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016; and its profit and its 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, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, 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 appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016, from being appointed as a director in terms of section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements in note 24 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company for the year ended March 31, 2016.

**For Chaturvedi & Shah**  
Chartered Accountants  
Firm Registration no. 101720W

**Vitesh D. Gandhi**  
Partner  
Membership No.: 110248

Mumbai  
Date: April 14<sup>th</sup>, 2016.

**Annexure to the Independent Auditors' Report**

(Referred to in our Report of even date)

- 1) In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information except for in some assets where Company is in the process of tagging the assets.
  - b) As explained to us, all the fixed assets of the Company have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c) The Company do not have any immovable properties and hence clause (i) (c) of paragraph 3 of the Order is not applicable to the company.
- 2) In our opinion the inventories (securities) have been physically verified during the year by the Management at reasonable intervals and as explained to us no material discrepancies were noticed on physical verification.
- 3) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to any companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, the provisions of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities. The Company has not granted any loans to any director or any person in whom director is interested as specified under Section 185 of the Companies Act, 2013 and hence clause (iv) of paragraph of the Order is not applicable to the Company to that extent.
- 5) According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the Order is not applicable to the Company.
- 6) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act. Hence, the provisions of Clause (vi) of paragraph 3 of the Order is not applicable to the Company.
- 7) In respect of Statutory dues:
  - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31, 2016 for a period of more than six months from the date of becoming payable.
  - b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, on account of any dispute, which have not been deposited.

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. The Company did not have any outstanding debentures during the year.
- 9) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term Loan and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- 10) In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- 11) In our opinion and according to the information and explanations given to us, the company has neither provided nor paid any managerial remuneration and hence clause (xi) of paragraph 3 of the Order is not applicable to the company.
- 12) In our opinion company is not a Nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.
- 13) In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- 14) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the company.
- 15) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company
- 16) In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Chaturvedi & Shah**  
Chartered Accountants  
(Firm Registration no. 101720W)

**Vitesh D. Gandhi**  
Partner  
Membership No.: 110248

Mumbai  
Date: April 14<sup>th</sup>, 2016

**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF RELIANCE COMMODITIES 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 Control over financial reporting of **Reliance Commodities Limited** ("the company") as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the financial statements of the Company for the year then ended.

**Management Responsibility for the Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Chaturvedi & Shah**  
Chartered Accountants  
(Firm Registration no. 101720W)

**Vitesh D. Gandhi**  
Partner  
Membership No.: 110248

Mumbai  
Date: April 14<sup>th</sup>, 2016

# RELIANCE COMMODITIES LIMITED

BALANCE SHEET AS AT MARCH 31, 2016

Particulars	Note	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	30,000,000	30,000,000
(b) Reserves and surplus	3	81,236,239	50,157,754
<b>2 Non current liabilities</b>			
(a) Long term provisions	4	446,574	491,519
<b>3 Current liabilities</b>			
(a) Trade payables	5	227,686,768	265,113,170
(b) Other current liabilities	6	9,785,984	20,330,382
(c) Short term provisions	7	57,583	1,760,808
<b>TOTAL</b>		<b>349,213,148</b>	<b>367,853,633</b>
<b>II. ASSETS</b>			
<b>1 Non current assets</b>			
(a) Fixed assets	8		
(i) Tangible assets		995,484	478,830
(ii) Intangible assets		2,115,581	2,601,571
(b) Deferred tax assets (Net)	9	10,284,141	-
(c) Non current investments	10	20,000	20,000
(d) Long term loans and advances	11	15,149,076	16,437,582
(e) Other non current assets	12	-	500,000
<b>2 Current assets</b>			
(a) Stock in Trade	13	45,313,761	-
(b) Trade receivables	14	2,951,566	9,015,465
(c) Cash and bank balances	15	222,625,657	315,712,079
(d) Short term loans and advances	16	46,836,242	16,278,216
(e) Other current assets	17	2,921,640	6,809,890
<b>TOTAL</b>		<b>349,213,148</b>	<b>367,853,633</b>

Significant accounting policies

Note on financial statements

1 to 31

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

B Gop Kumar  
Director  
DIN : 07223999

Place : Mumbai  
Date : April 14, 2016



# RELIANCE COMMODITIES LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	Note	April 1, 2015 to March 31, 2016 Amount in ₹	April 1, 2014 to March 31, 2015 Amount in ₹
I. Revenue from operations	18	110,169,400	62,200,675
II. Other income	19	37,552,312	26,022,116
<b>III. Total Revenue (A)</b>		<b>147,721,712</b>	<b>88,222,791</b>
<b>IV Expenses:</b>			
Operating expenses	20	41,768,879	29,093,562
Employee benefits expenses	21	46,428,967	41,591,400
Finance cost	22	2,499,761	58,955
Depreciation and amortization expense	8	1,099,299	777,703
Administrative and other expenses	23	34,680,279	49,817,701
<b>Total Expenses (B)</b>		<b>126,477,185</b>	<b>121,339,321</b>
<b>V Profit/(Loss) before exceptional items and tax (A-B)</b>		<b>21,244,527</b>	<b>(33,116,530)</b>
<b>VI Exceptional items</b>		-	-
<b>VII Profit/(Loss) before tax (V-VI)</b>		<b>21,244,527</b>	<b>(33,116,530)</b>
<b>VIII Tax expense:</b>			
Current tax		4,300,000	-
Mat Credit		(4,300,000)	-
Deferred tax asset		(10,284,141)	-
Tax for earlier years		450,183	(981,105)
<b>IX Profit/(Loss) for the year (VII-VIII)</b>		<b>31,078,485</b>	<b>(32,135,425)</b>
<b>"Earning per share on Equity Shares of Rs. 10 each"(refer note 30)</b>			
- Basic		10.36	(10.71)
- Diluted		10.36	(10.71)

Significant Accounting Policies

Note on financial statements 1 to 31

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  
Place : Mumbai  
Date : April 14, 2016

Amit Bapna  
Director  
DIN : 00008443

B. Gop Kumar  
Director  
DIN : 07223999

# RELIANCE COMMODITIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	April 1, 2015 to March 31, 2016 Amount in ₹	April 1, 2014 to March 31, 2015 Amount in ₹
<b>A. Cash Flow From Operating Activities :</b>		
Net Profit/ ( loss) before tax as per statement of profit and loss	21,244,527	(33,116,530)
Adjustments for :		
Depreciation	1,099,299	777,703
Bad debts written off	-	24,144,464
Interest on income tax refund	-	(91,361)
Provision Written Back	2,824,000	-
Interest income on Loan given	(202,658)	-
Interest expenses	2,499,761	58,955
Profit on sale on investments	(532,930)	(1,704,648)
<b>Operating Profit Before Working Capital Changes</b>	<b>26,932,000</b>	<b>(9,931,417)</b>
Adjustments for :		
(Increase)/ Decrease in Trade receivable	6,063,899	(1,007,677)
(Increase) in Stock in Trade	(48,137,761)	-
(Increase) in Short term loans and advances	(30,558,025)	(2,010,414)
Decrease in long term loans and advances	22,905	-
Increase in current liabilities	(10,544,398)	(3,025,978)
Increase/ (Decrease) in trade payables	(37,426,402)	30,222,489
Decrease in longer term provision	(44,945)	370,088
Decrease in short term provision	(1,703,225)	1,743,922
(Increase)/ Decrease in other current assets	4,388,250	5,164,454
Net bank balances not considered as cash and cash equivalents	55,000,000	63,700,000
<b>Cash (Used In)/ Generated From Operations</b>	<b>(36,007,703)</b>	<b>85,225,467</b>
Payment of taxes (net of refunds)	815,418	(2,054,745)
<b>Net Cash Flow From Operating Activities (A)</b>	<b>(35,192,285)</b>	<b>83,170,722</b>
<b>B. Cash Flow From Investing Activities :</b>		
Purchase of fixed assets	(1,129,964)	(1,534,740)
Sale of investments (net)	532,930	1,704,648
<b>Net Cash Flow From Investment Activities (B)</b>	<b>(597,034)</b>	<b>169,908</b>
<b>C. Cash Flow From Financing Activities :</b>		
Proceeds/ (Repayment) from/ of borrowings (net)	-	(26,982,553)
Interest Income	202,658	-
Interest expenses	(2,499,761)	(58,955)
<b>Net Cash From/(used in) Financing Activities (C)</b>	<b>(2,297,103)</b>	<b>(27,041,508)</b>
<b>Net Increase In Cash Or Cash Equivalents (A+B+C)</b>	<b>(38,086,422)</b>	<b>56,299,122</b>
Cash And Cash Equivalents at the beginning of the year	85,712,079	29,412,957
<b>Cash And Cash Equivalents as at the end of the year</b>	<b>47,625,657</b>	<b>85,712,079</b>

Fixed Deposits with banks having original maturity of more than three months aggregating to ₹ 175,000,000 (Previous year ₹ 230,000,000) are not readily liquid and have been excluded from Cash and cash equivalents (Refer note 15).

**Component of cash and cash equivalents (Refer note 29)**

The accompanying notes form an integral part of the financial statements

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

B. Gop Kumar  
Director  
DIN : 07223999

Place : Mumbai  
Date : April 14, 2016

# RELIANCE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

## Summary of significant accounting policies

(Currency: Indian Rupee)

### 1 Background

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

### 2 Significant accounting policies

#### 2.1 Basis of preparation of financial statements

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

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

The financial statements are presented in Indian rupees.

#### 2.2 Use of estimates

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

#### 2.3 Revenue recognition

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

#### 2.4 Fixed assets and depreciation

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

##### Tangible Assets

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

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

##### Intangible Assets - Computer Software

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

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

## RELIANCE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 2.5 Investments & Stock in trade

Investments in debt and equity securities are classified as current investment or long term investments.

Investments that are acquired with the intention of short term holding and trading are classified as stock-in-trade. All other investments are classified as long term investments. The securities held as stock in trade are carried at cost arrived at on weighted average basis or market value, whichever is lower.

Long term investments are carried at acquisition cost, inclusive of direct acquisition costs, if any. Any decline in the value of investments, which is other than temporary is reduced from its acquisition cost and provided for in the statement of profit and loss. A decline is considered as other than temporary after considering the investee company's market value, assets, results and the expected cash flows from the investment and restrictions, if any, on distribution or sale of the investee company.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### 2.6 Accounting for derivative transactions

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

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

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

### 2.7 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.

### 2.8 Taxation

#### i. Current Tax:

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

## RELIANCE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### ii. Deferred Tax:

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

### 2.9 Foreign currency transactions

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

### 2.10 Provisions, Contingent Liabilities and Contingent Asset

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

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

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

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

### 2.11 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.

### 2.12 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.

### 2.13 Operating Leases

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

## RELIANCE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 2.14 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.

#### Preliminary Expenses

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

### 2.16 Cash and cash equivalent

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

**RELIANCE COMMODITIES LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET**

**NOTE 2**  
**SHARE CAPITAL**

	As at 31st March 2016		As at 31st March 2015	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
<b>AUTHORISED</b>				
Equity Shares of ₹ 10 each	5,000,000	50,000,000	5,000,000	50,000,000
<b>TOTAL</b>	<u>5,000,000</u>	<u>50,000,000</u>	<u>5,000,000</u>	<u>50,000,000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>				
Equity Shares of ₹ 10 each fully paid up	3,000,000	30,000,000	3,000,000	30,000,000
<b>TOTAL</b>	<u>3,000,000</u>	<u>30,000,000</u>	<u>3,000,000</u>	<u>30,000,000</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, 2016 is set out below:**

	As at 31st March 2016		As at 31st March 2015	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
<b>Equity Shares</b>				
Number of shares at the beginning	3,000,000	30,000,000	3,000,000	30,000,000
Number of shares at the end	3,000,000	30,000,000	3,000,000	30,000,000

**3. The details of shareholder holding as at March 31, 2016 and March 31, 2015 set out below :**

	As at 31st March 2016		As at 31st March 2015	
	No. of shares	% held	No. of shares	% held
<b>Equity shares</b>				
Reliance Capital Limited and its nominees	3,000,000	100%	3,000,000	100%

**RELIANCE COMMODITIES LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET**

	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
<b>NOTE 3</b>		
<b>RESERVES AND SURPLUS</b>		
Surplus (balance as per statement of profit and loss)		
As per last balance sheet	50,157,754	82,327,341
Less: Effects of depreciation as per Companies Act, 2013	-	(34,162)
Add: Net Profit/(Loss) for the year	31,078,485	(32,135,425)
<b>TOTAL</b>	<b>81,236,239</b>	<b>50,157,754</b>
<b>NOTE 4</b>		
<b>LONG TERM PROVISIONS</b>		
Provision for leave Encashment	446,574	491,519
<b>TOTAL</b>	<b>446,574</b>	<b>491,519</b>
<b>NOTE 5</b>		
<b>TRADE PAYABLES</b>		
Margin money deposits	226,166,863	262,840,379
Other trade payables	1,519,905	2,272,791
<b>TOTAL</b>	<b>227,686,768</b>	<b>265,113,170</b>
<b>NOTE 6</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Deposits received from sub brokers	1,065,595	1,073,865
Advance received from customers	1,000,000	-
Provision for Expenses	4,956,084	1,383,507
Other payables		
- Statutory liabilities	1,610,651	1,191,217
- Payable to or on behalf of employees	102,998	380,068
- Other payables	1,050,656	16,301,725
<b>TOTAL</b>	<b>9,785,984</b>	<b>20,330,382</b>
<b>NOTE 7</b>		
<b>SHORT TERM PROVISIONS</b>		
Provision for Gratuity	38,474	1,708,619
Provision for Leave Encashment	19,109	52,189
<b>TOTAL</b>	<b>57,583</b>	<b>1,760,808</b>



**RELIANCE COMMODITIES LIMITED**  
NOTES FORMING PART OF THE BALANCE SHEET

**NOTE 8**  
**(FIXED ASSETS - AT COST)**

Description of Assets	GROSS BLOCK						DEPRECIATION/AMORTISATION				NET BLOCK	
	As at April 1, 2015	Additions during the year	Deletions during the year	As at March 31, 2016	Up to April 1, 2015	Adjustments during year	For the year	Deletions during the year	Up to March 31, 2016	As at March 31, 2016	As at March 31, 2015	
		year	year	March 31, 2016	April 1, 2015	year	year	year	March 31, 2016	March 31, 2016	March 31, 2015	
<b>Tangible Assets</b>												
Data processing equipments	679,109	921,782	-	1,600,891	335,687	-	279,312	-	614,999	985,892	343,422	
Furniture and Fixture	7,630	35,344	-	42,974	7,630	-	35,344	-	42,974	-	-	
Office Equipments	349,100	7,613	-	356,713	213,692	-	133,429	-	347,121	9,592	135,408	
<b>Total Tangible assets</b>	<b>1,035,839</b>	<b>964,739</b>	<b>-</b>	<b>2,000,578</b>	<b>557,009</b>	<b>-</b>	<b>448,085</b>	<b>-</b>	<b>1,005,094</b>	<b>995,484</b>	<b>478,830</b>	
<b>Intangible Assets</b> (Other than internally generated) Software	6,873,707	165,225	-	7,038,932	4,272,137	-	651,214	-	4,923,351	2,115,581	2,601,571	
<b>Total Intangible assets</b>	<b>6,873,707</b>	<b>165,225</b>	<b>-</b>	<b>7,038,932</b>	<b>4,272,137</b>	<b>-</b>	<b>651,214</b>	<b>-</b>	<b>4,923,351</b>	<b>2,115,581</b>	<b>2,601,571</b>	
<b>Total</b>	<b>7,909,546</b>	<b>1,129,964</b>	<b>-</b>	<b>9,039,510</b>	<b>4,829,146</b>	<b>-</b>	<b>1,099,299</b>	<b>-</b>	<b>5,928,445</b>	<b>3,111,065</b>	<b>3,080,401</b>	
<b>As at March 31, 2015</b>	<b>6,374,806</b>	<b>1,534,740</b>	<b>-</b>	<b>7,909,546</b>	<b>4,017,281</b>	<b>34,162</b>	<b>777,703</b>	<b>-</b>	<b>4,829,146</b>	<b>3,080,401</b>	<b>-</b>	

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 previous year is higher by ₹ 254,180.

**RELIANCE COMMODITIES LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET**

	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
<b>NOTE 9</b>		
<b>Deferred tax assets/liabilities:</b>		
<u>Deferred Tax Assets</u>		
Brought forward losses	10,640,563	16,936,297
Provision for Leave Encashment	143,896	176,406
Provision for gratuity	11,888	554,361
Provision for doubtful debts	-	-
<b>Total</b>	<b>10,796,347</b>	<b>17,667,064</b>
<u>Deferred Tax Liabilities</u>		
Depreciation	512,206	660,872
<b>Total</b>	<b>512,206</b>	<b>660,872</b>
<b>Net Deferred Tax (Assets)/Liabilities*</b>	<b>(10,284,141)</b>	<b>(17,006,192)</b>

\* Note: The company has deferred tax assets in the form of disallowance under income tax & brought forward losses. The company has recognised deferred tax assets in current year due to reasonable certainty that the assets can be realised in future. The company has not recognise deferred tax assets in previous year.

**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
<b>TOTAL</b>	<b>20,000</b>	<b>20,000</b>

**NOTE 11**

**LONG TERM LOANS AND ADVANCES**

(Unsecured and considered good)

Capital Advance	177,095	-
Deposits	8,599,000	8,799,000
Advance income tax	6,372,981	7,638,582
[Net of provision of ₹4,300,000(previous year ₹ Nil)]		
<b>TOTAL</b>	<b>15,149,076</b>	<b>16,437,582</b>

**NOTE 12**

**OTHER NON-CURRENT ASSETS**

(Unsecured, considered good)

Other bank balances

- In fixed deposit accounts more than 12 months

- Under lien

	-	500,000
<b>TOTAL</b>	<b>-</b>	<b>500,000</b>

**NOTE 13**

**STOCK-IN-TRADE**

	Face Value	Quantity	Value	Value
<b>Non Convertible Debentures/Bonds (Quoted)</b>				
RELIANCE CAPITAL LIMITED NFTL NK 090516	1,000,000	13	21,157,851	-
RELIANCE CAPITAL LIMITED NFTL NK 090816	100,000	194	24,155,910	-
<b>TOTAL</b>			<b>45,313,761</b>	<b>-</b>

**RELIANCE COMMODITIES LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET**

	March 31, 2016 Amount in ₹	March 31, 2015 Amount in ₹
<b>NOTE 14</b>		
<b>TRADE RECEIVABLES (Unsecured)</b>		
Trade Receivables		
- Considered good	2,951,566	9,015,465
- Considered doubtful	-	2,824,000
Less : Provision for doubtful debts	-	(2,824,000)
<b>TOTAL</b>	<b>2,951,566</b>	<b>9,015,465</b>
Outstanding for		
- more than six months	-	1,481,067
- less than six months	2,951,566	7,534,398
<b>NOTE 15</b>		
<b>CASH AND BANK BALANCES</b>		
<b>(A) Cash and cash equivalents</b>		
Balance with banks		
- In current accounts	47,125,657	85,112,079
- In fixed deposits maturing within 3 months	500,000	600,000
	<b>47,625,657</b>	<b>85,712,079</b>
<b>(B) Other bank balances</b>		
- In fixed deposits maturing within 12 months		
- Liated for making bank guarantees	125,000,000	180,000,000
- Liated against overdraft facility	50,000,000	50,000,000
	<b>175,000,000</b>	<b>230,000,000</b>
<b>TOTAL</b>	<b>222,625,657</b>	<b>315,712,079</b>
<b>NOTE 16</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured and considered good unless otherwise stated)		
Advance given to vendors	910,058	722,517
Prepaid Expenses	1,844,478	119,786
MAT Credit	4,300,000	-
Margin money with exchanges	38,912,614	14,812,614
Service tax Input	869,092	623,299
<b>TOTAL</b>	<b>46,836,242</b>	<b>16,278,216</b>
<b>NOTE 17</b>		
<b>OTHER CURRENT ASSETS</b>		
Accrued interest	2,087,100	2,330,370
Others	834,540	4,479,520
<b>TOTAL</b>	<b>2,921,640</b>	<b>6,809,890</b>

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

	April 1, 2015 to March 31, 2016 Amount in ₹	April 1, 2014 to March 31, 2015 Amount in ₹
<b>NOTE 18</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>Operating Income</b>		
Brokerage and brokerage plan fees	116,955,777	67,186,600
Less: service tax recovered	(14,362,990)	(7,419,691)
Profit from trading in securities and commodities	5,511,621	-
Other operating income	2,354,091	3,892,033
Less: service tax recovered	(289,099)	(437,661)
<b>TOTAL</b>	<b>110,169,400</b>	<b>63,221,281</b>
<b>NOTE 19</b>		
<b>OTHER INCOME</b>		
<b>Interest:</b>		
- on fixed deposits	19,645,105	23,041,055
- on Loan	202,658	-
- on refund of income tax	-	91,361
Profit on sale of investments	532,930	1,704,648
Provision no longer required written back	2,824,000	-
Unclaimed liability written back	14,337,911	14,139
Other income	9,708	150,307
<b>TOTAL</b>	<b>37,552,312</b>	<b>25,001,510</b>
<b>NOTE 20</b>		
Referral Fees	41,768,879	29,093,562
<b>TOTAL</b>	<b>41,768,879</b>	<b>29,093,562</b>
<b>NOTE 21</b>		
<b>EMPLOYEE BENEFITS EXPENSES</b>		
Salary, bonus and allowances	43,899,181	36,603,335
Contribution to provident fund and other funds (refer note 26)	1,541,512	3,847,043
Staff welfare Expenses	988,274	1,141,022
<b>TOTAL</b>	<b>46,428,967</b>	<b>41,591,400</b>
<b>NOTE 22</b>		
<b>FINANCE COST</b>		
Interest Cost	2,499,761	58,955
<b>TOTAL</b>	<b>2,499,761</b>	<b>58,955</b>
<b>NOTE 23</b>		
<b>ADMINISTRATIVE AND OTHER EXPENSES</b>		
Rent, Rates & Taxes (refer note 28)	2,793,378	4,097,128
Insurance	358,235	637,912
Communication expenses	2,190,329	2,249,425
Advertisement expenses	3,644,481	935,567
Printing and stationery	343,773	298,489
Professional charges	6,938,449	5,791,985
Travelling, conveyance and motor car expenses	3,007,386	3,376,961
Bank charges	1,046,399	1,861,337
Filing fees and stamp duty	181,909	23,527
Software expenses	3,726,141	5,587,182
Membership and subscription	155,000	150,000
Stock exchange expenses	111,115	102,029
Bad debts written off	9,241,536	24,144,464
Auditors remuneration		
Audit fees	350,000	350,000
Other services	50,000	50,000
Office administration expenses	542,148	161,695
<b>TOTAL</b>	<b>34,680,279</b>	<b>49,817,701</b>

RELIANCE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(Currency: Indian Rupees)

	As at March 31, 2016	As at March 31, 2015
<b>24 Contingent Liabilities</b>		
<b>i Guarantees given by scheduled banks on behalf of the Company towards</b>		
- Collateral security deposit in favour of National Commodity and Derivatives Exchange Limited	50,000,000	100,000,000
- Collateral security deposit in favour of Multi Commodity Exchange of India Limited	200,000,000	100,000,000
- Capital Commitments	189,800	-
<b>ii Claims not acknowledged as debts</b>	39,845,530	13,260,616
<b>25 Segment Information for the year ended March 31, 2016</b>		

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, 2016 and the statement of profit and loss for the year ended March 31, 2016 pertain to one business segment and related activities as per Accounting Standard (AS) 17 on "Segment Reporting".

**26 Employee Benefits**

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

**A. Defined Contribution Plans:**

	As at March 31, 2016	As at March 31, 2015
Employer's Contribution to Provident Fund (includes administration charges)	1,759,416	2,009,148

**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)**

I. Reconciliation of opening and closing balances of Defined Benefit Obligation :	Gratuity Benefits		Leave Encashment Benefits	
	FY 2015-16	FY 2014-15	FY 2015-16	FY 2014-15
Liability at the beginning of the year	3,109,077	1,493,252	543,708	138,318
Interest Cost	248,104	140,067	43,388	12,974
Current Service Cost	430,350	271,084	204,208	58,126
Benefit Paid	(523,792)	(456,207)	(149,477)	(26,195)
Actuarial (gain)/loss on obligations	(754,801)	1,660,881	(176,144)	360,485
Liability at the end of the year	2,508,938	3,109,077	465,683	543,708

RELIANCE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(Currency: Indian Rupees)

II. Reconciliation of opening and closing balances of fair value of Plan Assets :				
	FY 2015-16	FY 2014-15	FY 2015-16	FY 2014-15
Fair Value of Plan Assets at the beginning of the year	1,400,458	1,622,528	-	-
Expected Return on Plan Assets	111,757	152,193	-	-
Contributions	1,537,447	-	-	-
Benefit Paid	(523,792)	(456,207)	-	-
Actuarial gain/(loss) on Plan Assets	(55,406)	81,944	-	-
Fair Value of Plan Assets at the end of the year	2,470,464	1,400,458	-	-

III. Reconciliation of fair value of assets and obligations :				
	FY 2015-16	FY 2014-15	FY 2015-16	FY 2014-15
Liability at the end of the year	(2,508,938)	(3,109,077)	(465,683)	(543,708)
Fair value of plan assets at the end of the year	2,470,464	1,400,458	-	-
(Asset) / Liability Recognised in the Balance Sheet#	(38,474)	(1,708,619)	(465,683)	(543,708)

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

IV. Expenses recognised during the year :				
	FY 2015-16	FY 2014-15	FY 2015-16	FY 2014-15
Current Service Cost	430,350	271,084	204,208	58,126
Interest Cost	248,104	140,067	43,388	12,974
Expected Return on Plan Assets	(111,757)	(152,193)	-	-
Net Actuarial (Gain)/Loss To Be Recognised	(699,395)	1,578,937	(176,144)	360,485
Expense Recognised in	(132,698)	1,837,895	71,452	431,585

V. Investment details :

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

VI. Assumptions :				
	FY 2015-16	FY 2014-15	FY 2015-16	FY 2014-15
Discount Rate (per annum)	7.96%	7.98%	7.96%	7.98%
Rate of Return on Plan Assets	7.96%	7.98%	0%	0%
Salary Escalation	6.00%	6.00%	6.00%	6.00%

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

VII. - Particulars of amounts for the year and previous years					
	2016	2015	2014	2013	2012
Defined Benefit Obligation At The End of the Year	2,508,938	3,109,077	1,493,252	1,514,458	818,768
Fair Value Plan Asset At The End of the Year	2,470,464	1,400,458	1,622,528	1,887,409	629,288
Excess of Obligation Over Plan Asset	38,474	1,708,619	(129,276)	(372,951)	189,480
Experience Adjustment on Plan Liability (Gain)/Loss	(754,801)	1,660,881	(174,880)	385,493	112,739
Actuarial Gain / (Loss) due to Plan Asset	(55,406)	81,944	(106,913)	(1,979)	(28,442)

**RELIANCE COMMODITIES LIMITED**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(Currency: Indian Rupees)

**27 Related party transactions**

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

**(A) Parties by whom control exists during the year**

Reliance Capital Limited Holding Company

**(B) Subsidiaries**

Nil

**(C) Fellow subsidiaries**

Reliance Securities Limited	Fellow subsidiary
Reliance Wealth Management Limited*	Fellow subsidiary
Reliance Money Solutions Private Limited*	Fellow subsidiary
Reliance Financial Limited	Fellow subsidiary
Reliance Money Precious Metals Private Limited*	Fellow subsidiary
Reliance Money Express Limited	Fellow subsidiary
Reliance General Insurance Co Limited	Fellow subsidiary
Reliance Life Insurance Co Limited	Fellow subsidiary (w.e.f. March 30,2016)*

**(D) Key management personnel**

Directors of the Company	Mr. Amit Bapna*
	Mr. V.R.Mohan*
	Mr. Rajeev Srivastava (upto October 27, 2015)
	Mr. B. Gop Kumar* (w.e.f. October 27,2015)

Note : \* No transaction taken place during the year

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

Nature of Transaction	Holding company as on 31st March		Fellow Subsidiaries as on 31st March		Key Management Personnel & Their Relatives as	
	2016	2015	2016	2015	2016	2015
<b>Redemption of Bonds Purchased</b>						
<b>Reliance Capital Limited</b>						
Reliance capital Nifty Linked Debenture* Face Value of Rs. 100000 by 603 quantity * The above debentures have been purchased from third party/open market and have been redeemed by the holding company during the year.	82,549,310	-	-	-	-	-
<b>Unsecured loan (Inter Corporate Deposit)</b>						
<b>Reliance Financial Limited</b>						
Opening balance	-	-	-	-	-	-
Taken during the year	-	-	240,300,000	400,000,000	-	-
Repaid during the year	-	-	240,300,000	400,000,000	-	-
Closing balance	-	-	-	-	-	-
<b>Loan &amp; Advance (Inter Corporate Deposit)</b>						
<b>Reliance Financial Limited</b>						
Opening balance	-	-	-	-	-	-
Given during the year	-	-	68,400,000	-	-	-
Repaid during the year	-	-	68,400,000	-	-	-
Closing balance	-	-	-	-	-	-
<b>Receipts/Income</b>						
<b>A. Interest Income</b>						
Reliance Financial Limited	-	-	202,638	-	-	-
<b>B. DP Charges</b>						
Rajeev Srivastava	-	-	-	-	210	-
<b>Payments/expenditures</b>						
<b>Interest on Inter Corporate Deposits</b>						
Reliance Financial Limited	-	-	1,566,732	5,425	-	-
<b>Insurance</b>						
Reliance General Insurance Company Limited	-	-	721,586	811,660	-	-
<b>Rent and Electricity Expenses</b>						
Reliance Securities Limited	-	-	1,676,308	4,373,533	-	-
<b>Receivable / (Payable)</b>						
Reliance Capital Limited	-	(14,337,911)	-	-	-	-
Reliance General Insurance Company Limited	-	-	508,273	355,729	-	-

RELIANCE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(Currency: Indian Rupees)

28 Operating lease

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

	As at March 31, 2016	As at March 31, 2015
Rental payments of assets (net)	2,793,378	4,097,128

29 Component of cash and cash equivalents

	As at March 31, 2016	As at March 31, 2015
Balance with banks in current accounts	47,125,657	85,112,079
In fixed deposits maturing within 3 months	500,000	600,000
	<u>47,625,657</u>	<u>85,712,079</u>

30 Earnings per share

Particulars	As at March 31, 2016	As at March 31, 2015
Net profit/(Loss) after tax as per statement of profit and loss	31,078,485	(32,135,425)
Weighted average number of equity shares outstanding during the year	3,000,000	3,000,000
Nominal value per equity share	10	10
Basic and diluted earnings per share	10.36	(10.71)

31 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

B. Gop Kumar  
Director  
DIN : 07223999

Place : Mumbai  
Date : April 14, 2016