

Financial Statement

2014-15

Reliance Securities Limited

Independent Auditors' Report

To the Members of
Reliance Securities Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Reliance Securities 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 Standalone 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 standalone 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 standalone 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 standalone 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 24 to the standalone 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. In respect of its inventories:

(a) As informed to us, the inventories (securities) which are held in dematerialized form, have been verified by the management. In our opinion, the frequency of verification is reasonable.

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories (securities) followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company has maintained proper records of inventory (securities). As explained to us, there were no material discrepancies noticed on physical verification of dematerialized stocks as compared to the book records.

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 purchases of inventory (securities), fixed assets and for the sale of goods and 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 accumulated losses of the Company are less than fifty per cent of Company's net worth. The Company has incurred cash losses in the current financial year and in the immediately preceding financial year.
9. The Company has no dues payable to a financial institution or a bank or debenture holders during the year. Accordingly, the provisions of clause (ix) of paragraph 3 of the Order are not applicable to the Company.
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

**FINANCIAL STATEMENT
AS AT MARCH 31, 2015
RELIANCE SECURITIES LIMITED**

RELIANCE SECURITIES 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	1,50,00,00,000	1,50,00,00,000
(b) Reserves and surplus	3	(20,65,53,752)	(4,33,21,260)
2 Non current liabilities			
(a) Long term provisions	4	29,65,866	5,75,796
3 Current liabilities			
(a) Trade payables	5	1,98,38,85,419	1,72,57,89,143
(b) Other current liabilities	6	21,60,06,620	17,56,26,352
(c) Short term provisions	7	53,21,327	76,058
TOTAL		3,50,16,25,480	3,35,87,46,089
II. ASSETS			
1 Non current assets			
(a) Fixed assets	8		
(i) Tangible assets		5,56,98,408	6,10,39,697
(ii) Intangible assets		6,89,17,606	4,64,65,120
(b) Non current investments	9	19,00,000	2,69,00,000
(c) Long term loans and advances	10	6,15,24,283	19,71,35,755
(d) Other non current assets	11	21,00,000	26,00,000
2 Current assets			
(a) Current investments	12	5,00,00,000	1,00,00,000
(b) Stock in trade	13	29,99,34,271	29,12,35,150
(c) Trade receivables	14	75,33,49,693	48,42,43,833
(d) Cash and bank balances	15	1,99,08,96,713	2,04,35,04,617
(e) Short term loans and advances	16	16,83,58,575	17,27,33,589
(f) Other current assets	17	4,89,45,931	2,28,88,328
TOTAL		3,50,16,25,480	3,35,87,46,089
Significant accounting policies Note on financial statements	1 to 37		

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

Sanajy Wadhwa
Whole-time director
DIN : 03329219

Lav Chaturvedi
Director
DIN : 02859336

Place : Mumbai
Date : May 4, 2015

Ashish Turakhia
Company Secretary
Membersip No. F3371

Manish Dhanuka
Chief Financial Officer

RELIANCE SECURITIES 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	18	1,25,19,57,827	84,42,05,623
II. Other income	19	21,20,04,280	23,73,41,241
III Total Revenue (A)		1,46,39,62,107	1,08,15,46,864
IV Expenses:			
Operating expenses	20	23,03,71,787	19,10,43,063
Employee benefits expense	21	47,90,61,219	43,05,79,387
Finance cost	22	-	85,01,282
Depreciation and amortization expense	8	5,30,67,411	3,14,96,237
Administrative and other expenses	23	85,06,92,599	71,23,27,120
Total Expenses (B)		1,61,31,93,016	1,37,39,47,089
V Loss before exceptional and extraordinary items and tax (A-B)		(14,92,30,909)	(29,24,00,225)
VI Exceptional items		-	-
VII Loss before extraordinary items and tax (V-VI)		(14,92,30,909)	(29,24,00,225)
VIII Extraordinary Items		-	-
IX Loss before tax (VII-VIII)		(14,92,30,909)	(29,24,00,225)
X Tax expense:			
Current tax		-	-
Income tax for earlier years		1,08,06,364	1,48,71,021
XI Loss for the year (IX-X)		(16,00,37,273)	(30,72,71,246)
Earning per share on Equity Shares of ₹ 10 each (refer note 32)			
- Basic		(12.40)	(18.10)
- Diluted		(12.40)	(18.10)
Significant accounting policies			
Notes to financial statements	1 to 37		

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

Sanajy Wadhwa
Whole-time director
DIN : 03329219

Lav Chaturvedi
Director
DIN : 02859336

Place : Mumbai
Date : May 4, 2015

Ashish Turakhia
Company Secretary
Membersip No. F3371

Manish Dhanuka
Chief Financial Office

RELIANCE SECURITIES 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 Flows From Operating Activities :		
Net loss before tax as per statement of profit and loss	(14,92,30,909)	(29,24,00,225)
<u>Adjustments for :</u>		
Profit on sale of Investments	(1,45,64,182)	(1,26,61,488)
Profit on sale of assets	(13,70,288)	-
Dividend from subsidiary company	(2,87,50,000)	-
Unclaimed liability written back	(38,07,972)	-
Provision for doubtful advances	11,93,691	
Provision for doubtful debts	1,54,98,730	98,48,872
Provision for doubtful advances no longer required	(39,61,033)	-
Bad debts written off	39,61,033	3,13,37,446
Depreciation	5,30,67,411	3,14,96,237
Interest Income	(5,41,507)	(4,77,51,694)
Interest Expenses	-	85,01,282
Operating Cash Flows Before Working Capital Changes	(12,85,05,026)	(27,16,29,570)
Changes in current assets and liabilities		
Increase in trade receivables	(28,46,04,590)	(3,40,37,833)
Increase in stock in trade	(86,99,121)	(29,10,98,812)
(Increase)/ Decrease in long term loans and advances	8,44,13,460	54,26,989
(Increase)/ Decrease in short term loans and advances	71,42,355	(2,52,41,066)
Increase in trade payables	25,80,96,276	45,53,38,883
Increase/ (Decrease) in other current Liabilities	4,41,88,241	2,91,50,449
Decrease in short term provision	2,73,197	(67,139)
Decrease in long term provision	23,90,070	(6,98,845)
(Increase)/ Decrease in other current assets	(2,60,57,603)	4,14,58,507
Net bank balances not considered as cash and cash equivalents	(20,21,392)	(97,78,41,030)
Cash (used in)/Generated From Operations	(5,33,84,133)	(1,06,92,39,467)
Payment of Taxes (Net of Refunds)	4,14,23,243	1,71,55,084
Net Cash Flows/(Used in) From Operating Activities (A)	(1,19,60,890)	(1,05,20,84,383)
B. Cash Flows From Investing Activities :		
(Purchase)/sale of Fixed Assets (net)	(7,20,03,538)	(4,01,09,819)
Dividend from subsidiary company	2,87,50,000	-
Sale of Investments (net)	1,05,689	89,84,13,182
Net Cash Flows From Investment Activities (B)	(4,31,47,849)	85,83,03,363
C. Cash Flows From Financing Activities :		
(Repayment) / Borrowing from financial institutions/Others (net)	-	(6,65,00,000)
Interest on short term borrowing	-	(85,01,282)
Net Cash Generated From / (Used In) Financing Activities (C)	-	(7,50,01,282)
Net Increase/(Decrease) In Cash Or Cash Equivalents (A+B+C)	(5,51,08,739)	(26,87,82,302)
Cash And Cash Equivalents at the beginning of the year	69,76,74,608	96,64,56,910
Cash And Cash Equivalents at the end of the year	64,25,65,869	69,76,74,608

Fixed Deposits with banks having original maturity of more than three months aggregating to ₹ 1,350,430,844 (Previous year ₹ 1,348,430,009) are not readily liquid and have been excluded from Cash and cash equivalents (Refer note 11 and 15).

Component of cash and cash equivalents (Refer note 36)

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

Sanajy Wadhwa
Whole-time director
DIN : 03329219

Lav Chaturvedi
Director
DIN : 02859336

Place : Mumbai
Date : May 4, 2015

Ashish Turakhia
Company Secretary
Membersip No. F3371

Manish Dhanuka
Chief Financial Office

RELIANCE SECURITIES 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 Securities Limited was incorporated on 17 June 2005. The Company is licensed by the Securities and Exchange Board of India (SEBI) to operate as stock 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 2013.

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 is recognised prospectively in current and future periods.

2.3 Revenue recognition

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

(ii) Revenue (Commission) from distribution activities, syndication activities is recognized on accrual basis in accordance with terms of the agreements.

(iii) Portfolio management Fees is recognised on accrual basis as follows:

a) Processing fees is recognised on upfront basis in the year of receipt

b) Management fees is recognised as a percentage of the unaudited net asset value at the end of each month

c) Return based fees is recognised as a percentage of annual profit, in accordance with the terms of the agreement with clients on the completion of the period

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

(v) Infrastructure and resource management fee is recognised on accrual basis in accordance with the terms of the agreement with counter party

(vi) Interest income is recognised on accrual basis.

(vi) In respect of other heads of income, income from depository operations etc., the Company accounts the same on accrual basis.

(vii) Profit/Loss on error trade in broking business is included in the statement of profit and loss

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

RELIANCE SECURITIES LIMITED

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

(Currency: Indian Rupee)

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 Stock in trade

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

2.6 Exchange Traded Derivatives:

Income from trading in securities comprises Profit/Loss on sale of Securities held as Stock In Trade and Profit/Loss on equity derivative instruments. Profit/Loss on securities are determined based on first in first out (FIFO) cost of securities sold. Profit/Loss on equity derivative transactions as explained below :

(i) Equity Index/Stock Futures:

(a) "Initial Margin-Equity Derivatives Instrument", representing the initial margin paid, and 'Margin Deposits" representing the additional margin paid over and above the initial margin, for entering into contracts for equity index/stock futures which are released on final settlement/squaring-up of underlying contracts, are disclosed under Loans and Advances.

(b) Equity index stock futures are marked-to-market on daily basis. Debit or credit balance disclosed under Loans and Advances or Current Liabilities, respectively, in the "Mark-to-Market Margin-Equity Index/Stock Futures Account", represents the net amount paid or received on the basis of movement in the prices of index/stock futures till the Balance Sheet date.

(c) As on the Balance Sheet date, profit/loss on open positions in equity index/stock futures are accounted for as follows:

Credit balance in the "Mark-to-Market Margin-Equity Index/Stock Futures Account", being the anticipated profit is Ignored and no credit for the same is taken in the Statement of Profit and Loss.

Debit balance in the "Mark-to-Market Margin-Equity Index/Stock Futures Account", being anticipated loss, is adjusted in the Statement of Profit and loss Account.

(ii) Equity Index/Stock options:

a) Initial Margin Equity Derivative Instrument representing the initial margin paid, and "Margin Deposit" representing the additional margin paid over and above the initial margin, for entering into contracts for equity index/stock options, which are released on final settlement/squaring up of the underlying contracts are disclosed under Loans and Advances.

b) "Equity Index/Stock Option Premium Account" represents the premium paid or received for buying or selling the options, respectively.

c) As at the Balance Sheet date, in the case of long positions, provision is made for the amount by which the premium paid for those options exceeds the premium prevailing on the Balance Sheet date, and in the case of short positions, for the amount by which the premium prevailing on the Balance Sheet date exceeds the premium received for those options, and is reflected in "Provision for Loss on Equity Index/Stock Option Account".

RELIANCE SECURITIES LIMITED

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

(Currency: Indian Rupee)

2.7 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.

2.8 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.

Intangible Assets -

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.

The rates of depreciation for various assets are as follows:

Assets	Financial year 2014- 2015	Financial year 2013- 2014
Leasehold Improvements	Over the primary period of lease	Over the primary period of lease
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%
Membership Rights of Bombay Stock Exchange Limited	Over a period of 10 years	Over a period of 10 years
Software	Over a period of 6 years	16.21%

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

2.9 Impairment of assets

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

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

RELIANCE SECURITIES LIMITED

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

(Currency: Indian Rupee)

2.10 Foreign currency transactions

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

2.11 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.

2.12 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.

2.13 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.

2.14 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 SECURITIES LIMITED

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

(Currency: Indian Rupee)

2.15 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

2.16 Preliminary Expenses:

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

2.17 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 SECURITIES LIMITED
NOTES FORMING PART OF THE BALANCE SHEET

NOTE 2
SHARE CAPITAL

	As at 31st March 2015		As at 31st March 2014	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
AUTHORISED				
Equity Shares of ₹ 10 each	5,00,00,000	50,00,00,000	5,00,00,000	50,00,00,000
10% Cumulative Redeemable Preference Shares of ₹ 10 each	15,00,00,000	1,50,00,00,000	15,00,00,000	1,50,00,00,000
TOTAL	20,00,00,000	2,00,00,00,000	20,00,00,000	2,00,00,00,000
ISSUED, SUBSCRIBED AND PAID UP				
Equity Shares of ₹ 10 each fully paid up	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
10% Cumulative Redeemable Preference Shares of ₹ 10 each fully paid up	12,50,00,000	1,25,00,00,000	12,50,00,000	1,25,00,00,000
TOTAL	15,00,00,000	1,50,00,00,000	15,00,00,000	1,50,00,00,000

Notes:

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.

- Preference Shares

The Cumulative Redeemable Preference Shares (CRPS) holders shall be entitled to such rights and privileges as are available to them under them companies act 2013.

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

Description of the Preference shares	No. of Preference Shares	Date of Allotment
10% Cumulative Redeemable Preference Shares (CRPS)	6,10,00,000	26-Mar-07
10% Cumulative Redeemable Preference Shares (CRPS - I)	1,40,00,000	21-Aug-07
10% Cumulative Redeemable Preference Shares (CRPS - II)	5,00,00,000	31-Oct-07

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	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
Equity Shares				
Number of shares at the beginning	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
Number of shares at the end	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
Preference Shares				
Number of shares at the beginning	12,50,00,000	1,25,00,00,000	12,50,00,000	1,25,00,00,000
Number of shares at the end	12,50,00,000	1,25,00,00,000	12,50,00,000	1,25,00,00,000

3. The details of shareholder holding as at March 31, 2015 and March 31, 2014 is set out below :

	As at 31st March 2015		As at 31st March 2014	
	No. of shares	% held	No. of shares	% held
Equity shares				
Reliance Capital Limited and its nominees	2,50,00,000	100%	2,49,00,000	99.60%
Reliance ADA Group Trustees Private Limited as Trustees of Reliance Securities Limited Employees Benefits Trust	-	0.00%	1,00,000	0.40%
Preference shares				
Reliance Capital Limited	12,50,00,000	100%	12,50,00,000	100%

RELIANCE SECURITIES LIMITED
NOTES FORMING PART OF THE BALANCE SHEET

Particulars	March 31, 2015 Amount in ₹	March 31, 2014 Amount in ₹
NOTE 3		
RESERVES AND SURPLUS		
Capital redemption reserve		
As per last balance sheet	25,00,00,000	25,00,00,000
Add: Transfer from statement of profit and loss	-	-
Closing balance	25,00,00,000	25,00,00,000
Surplus/(deficit) (balance as per statement of profit and loss)		
As per last balance sheet	(29,33,21,260)	1,39,49,986
Less: Effect of changes in depreciation policy as per Companies Act 2013	(31,95,219)	-
Add: Net loss for the year	(16,00,37,273)	(30,72,71,246)
Closing balance	(45,65,53,752)	(29,33,21,260)
TOTAL	(20,65,53,752)	(4,33,21,260)
NOTE 4		
LONG TERM PROVISIONS		
Provision for leave encashment	29,65,866	5,75,796
TOTAL	29,65,866	5,75,796
NOTE 5		
TRADE PAYABLES		
Margin money deposits	1,98,38,85,419	1,72,57,89,143
TOTAL	1,98,38,85,419	1,72,57,89,143
NOTE 6		
OTHER CURRENT LIABILITIES		
Provision for expenses	4,04,60,300	2,51,45,703
Deposits received from sub brokers	9,82,94,610	9,95,90,104
Income received in advance	1,63,49,318	72,74,985
Other liabilities		
- Payable to or on behalf of employees	14,09,265	4,02,824
- Other statutory payments	2,80,98,929	2,04,86,726
- payable to suppliers	3,08,57,097	1,19,21,732
- Equity Index/ Stock Option Premium Account	5,37,101	1,08,04,278
TOTAL	21,60,06,620	17,56,26,352
NOTE 7		
SHORT TERM PROVISIONS		
Provision for leave encashment	3,49,255	76,058
Provision for gratuity	49,72,072	-
TOTAL	53,21,327	76,058

RELIANCE SECURITIES LIMITED
NOTES FORMING PART OF THE BALANCE SHEET

NOTE 8

FIXED ASSETS (At Cost)

Description	Gross block				Depreciation/amortization					Net block	
	As at April 1, 2014	Additions during the period	Deletions during the period	As at March 31, 2015	Up to April 1, 2014	Adjustments during the period	Additions during the period	Deletions during the period	Up to March 31, 2015	As at March 31, 2015	As at March 31, 2014
Tangible											
Leasehold Improvements	7,04,44,767	47,93,491	2,06,38,229	5,46,00,029	4,43,68,446	-	1,46,38,155	1,95,60,563	3,94,46,038	1,51,53,991	2,60,76,321
Office equipments	91,03,468	29,83,724	-	1,20,87,192	17,11,387	-	41,05,000	-	58,16,387	62,70,805	73,92,081
Furniture and fixtures	16,09,746	2,41,022	2,44,503	16,06,265	9,74,607	-	88,828	55,472	10,07,963	5,98,302	6,35,139
Data processing equipments	4,51,48,647	3,24,12,943	1,37,782	7,74,23,808	1,82,12,491	31,95,219	2,24,06,388	65,600	4,37,48,498	3,36,75,310	2,69,36,156
Total Tangible assets - (A)	12,63,06,628	4,04,31,180	2,10,20,514	14,57,17,294	6,52,66,931	31,95,219	4,12,38,371	1,96,81,635	9,00,18,886	5,56,98,408	6,10,39,697
Intangible Assets (Other than internally generated)											
Membership rights of Bombay Stock Exchange Limited	75,00,000	-	-	75,00,000	64,19,178	-	7,50,000	-	71,69,178	3,30,822	10,80,822
Softwares	11,72,53,288	3,42,81,526	-	15,15,34,814	7,18,68,990	-	1,10,79,040	-	8,29,48,030	6,85,86,784	4,53,84,298
Total Intangible assets - (B)	12,47,53,288	3,42,81,526	-	15,90,34,814	7,82,88,168	-	1,18,29,040	-	9,01,17,208	6,89,17,606	4,64,65,120
Total - (A+B)	25,10,59,916	7,47,12,706	2,10,20,514	30,47,52,108	14,35,55,099	31,95,219	5,30,67,411	1,96,81,635	18,01,36,094	12,46,16,014	10,75,04,817
As at March 31, 2014	21,09,50,097	4,01,09,819	-	25,10,59,916	11,20,58,862	-	3,14,96,237	-	14,35,55,099	10,75,04,817	

Notes: 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 ₹ 3,195,219, 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 ₹ 14,735,735.

RELIANCE SECURITIES LIMITED
NOTES FORMING PART OF THE BALANCE SHEET

	March 31, 2015 Amount in ₹	March 31, 2014 Amount in ₹
NOTE 9		
NON CURRENT INVESTMENTS		
(Unquoted, at cost)		
<u>In Subsidiary companies</u>		
Nil (previous year 2,500,000) Equity shares of Reliance Composite Insurance Broking Limited of ₹ 10 each,	-	2,50,00,000
<u>In Others</u>		
190,000 (Previous Year 190,000) Equity shares of Reliance Money Infrastructure Limited of ₹ 10 each,	19,00,000	19,00,000
Nil (Previous year 1,899) 1% Non convertible cumulative redeemable preference shares of ₹ 100 each of Reliance Capital Asset Management Limited (RCAM)#	-	-
TOTAL	19,00,000	2,69,00,000
Aggregate value of unquoted investments		
At book value	19,00,000	2,69,00,000
# The company has received the mentioned shares in the capacity of shareholder of Reliance Money Infrastructure Limited (RMIL) pursuant to scheme of arrangement between RMIL and RCAM, as approved by Bombay High Court in the order dated October 15, 2010 for scheme of demerger of Infrastructure Division of RMIL.		
NOTE 10		
LONG TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Capital advances	1,48,58,083	2,41,029
Deposits	2,47,40,808	12,37,71,322
Advance payment of tax and tax deducted at source [Net of provision ₹ Nil; (Previous Year ₹ 15,107,000)]	2,19,25,392	7,31,23,404
TOTAL	6,15,24,283	19,71,35,755
NOTE 11		
OTHER NON-CURRENT ASSETS		
(Unsecured, considered good)		
Other bank balances		
- In fixed deposit accounts more than 12 months		
- Under lien	21,00,000	26,00,000
TOTAL	21,00,000	26,00,000
NOTE 12		
CURRENT INVESTMENTS		
Unquoted, at lower of cost or fair value		
Nil (Previous Year 100) Nifty Linked Portfolio Series LXXII Non Convertible Debenture of ₹ 100,000 each of Reliance Capital Limited	-	1,00,00,000
5,000,000 (Previous Year Nil units) of Reliance Liquidity Fund - Japan Fund of ₹ 10 each	5,00,00,000	-
TOTAL	5,00,00,000	1,00,00,000
Aggregate value of unquoted investments		
At book value	5,00,00,000	1,00,00,000

RELIANCE SECURITIES LIMITED
NOTES FORMING PART OF THE BALANCE SHEET

	March 31, 2015 Amount in Rs.	March 31, 2014 Amount in Rs.
NOTE 14		
TRADE RECEIVABLES		
Considered good	75,33,49,693	48,42,43,833
Considered doubtful	3,41,51,495	1,86,52,765
Less : Provision for doubtful debts	(3,41,51,495)	(1,86,52,765)
TOTAL	75,33,49,693	48,42,43,833
Out of above		
- Secured	66,46,40,645	42,98,79,690
- Unsecured	8,87,09,048	5,43,64,143
Outstanding for		
- More than six months	10,32,46,988	2,70,59,601
- Less than six months	65,01,02,705	45,71,84,232
NOTE 15		
CASH AND BANK BALANCES		
Cash and cash equivalents		
Balance with banks In current accounts	36,50,65,869	56,76,37,066
Cheques on hand	-	36,577
Cash in hand	-	965
Fixed deposit accounts (less than 3 months)	27,75,00,000	13,00,00,000
	64,25,65,869	69,76,74,608
Other bank balances		
Fixed deposits		
- Under lien	1,05,36,30,844	72,08,30,009
- Under margin with National Securities Clearing Corporation Limited	29,47,00,000	62,50,00,000
	1,34,83,30,844	1,34,58,30,009
TOTAL	1,99,08,96,713	2,04,35,04,617
NOTE 16		
SHORT TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Loan given to employee benefit trust	-	50,10,000
Contribution to employee gratuity fund	-	44,57,764
Service tax input credit	1,30,06,013	1,30,90,359
Advance given to vendors		
- Considered good	2,70,12,037	1,40,34,786
- Considered doubtful	14,33,915	41,62,041
Less: provision for doubtful advances	(14,33,915)	(41,62,041)
Deposits	12,83,40,525	13,61,40,680
TOTAL	16,83,58,575	17,27,33,589
NOTE 17		
OTHER CURRENT ASSETS		
Interest accrued	2,34,54,002	2,28,19,119
Others	2,54,91,929	69,209
TOTAL	4,89,45,931	2,28,88,328

RELIANCE SECURITIES LIMITED
NOTES FORMING PART OF THE BALANCE SHEET

March 31, 2015
Amount in ₹

March 31, 2014
Amount in ₹

NOTE 13
STOCK IN TRADE

A. In equity shares (Quoted)

	Face value	Quantity	Value	Face value	Quantity	Value
Astrazeneca Pharma India Limited	-	-	-	2	307	3,54,017
Jet Airways (India) Limited	-	-	-	10	887	2,05,450
Piramal Glass Limited	-	-	-	10	10,703	11,41,419
Sterling Holiday Resorts (India) Ltd	-	-	-	10	6,041	5,57,939
Essar Oil Ltd	10	2,000	2,18,300	-	-	-
Ing Vysya Bank	10	64,803	5,88,09,371	-	-	-
TOTAL (A)			5,90,27,671			22,58,825

B. In Preference shares (Quoted)

Zee Entertainment Enterprises Ltd	-	-	-	1	50,00,000	36,50,000
TOTAL (B)			-			36,50,000

C. In Non Convertible Debentures / Bonds (Quoted)

	Face value	Quantity	Value	Face value	Quantity	Value
RELCAP NFTLNK 030915	1,00,000	192	3,68,14,464	1,16,00,000	116	1,37,93,725
RELCAP NFTLNK 161015	1,00,000	50	87,23,700	50,00,000	50	60,05,300
RELCAP NFTLNK 070915	1,00,000	25	33,98,575	25,00,000	25	25,06,075
RELCAP NFTLNK 261015	1,00,000	50	87,02,450	50,00,000	50	59,56,350
RELCAP NFTLNK 151215	1,00,000	50	67,53,650	26,41,050	25	26,41,050
RELCAP NFTLNK 090816	1,00,000	389	4,23,63,526	13,89,500	14	13,89,500
RELCAP NFTIND 100417	1,00,000	10	10,00,000	1,40,00,000	140	1,40,00,000
RELCAP NFTIND 290616	1,00,000	10	10,04,280	3,50,00,000	350	3,50,00,000
REL CAP NFTIND 020517	-	-	-	50,00,000	50	50,00,000
REL CAP NFTIND 250416	-	-	-	10,00,000	10	10,00,000
REL CAP NFTLNK 020414	-	-	-	1,22,09,295	105	1,22,09,295
REL CAP NFTLNK 020614	-	-	-	2,95,00,000	295	3,97,09,460
REL CAP NFTLNK 121214	-	-	-	55,00,000	55	64,14,690
REL CAP NFTLNK 131114	-	-	-	20,00,000	20	23,99,970
REL CAP NFTLNK 140316	-	-	-	28,49,670	30	28,49,670
REL CAP NFTLNK 140914	-	-	-	12,22,500	10	12,22,500
REL CAP NFTLNK 240315	-	-	-	10,00,000	10	10,70,980
REL CAP NFTLNK 130415	-	-	-	#####	1,000	12,28,30,000
12IIFLI16	-	-	-	1,000	2,367	23,82,335
IIFL 12 300918	-	-	-	1,000	160	1,58,960
IIFL NCD 12.75% PA UNS O1	-	-	-	1,000	4,218	43,00,518
STFCL BOND 9.40% PA SIII	-	-	-	1,000	2,540	24,85,947
RELCAP CNXLNK 290118	1,00,000	20	20,00,000	-	-	-
RELCAP NFTLNK 010416	1,00,000	20	20,00,000	-	-	-
REL CAP CNX 18052018	1,00,000	30	30,00,000	-	-	-
RELCAP NFTLNK 010615	1,00,000	100	1,70,14,700	-	-	-
RELCAP NFTLNK 140515	1,00,000	120	1,70,72,040	-	-	-
RELCAP NFTLNK 121015	1,00,000	25	43,66,125	-	-	-
RELCAP NFTLNK 071215	1,00,000	25	37,44,450	-	-	-
RELCAP NFTLNK 070116	1,00,000	35	47,89,855	-	-	-
RELCAP NFTLNK 110116	1,00,000	10	12,89,877	-	-	-
RELCAP NFTLNK 110216	1,00,000	30	40,92,210	-	-	-
RELCAP NFTLNK 090516	10,00,000	2	29,76,200	-	-	-
RELCAP NFTLNK 090415	10,00,000	4	46,89,444	-	-	-
RELCAP NFTLNK 120515	10,00,000	18	2,16,08,931	-	-	-
RELCAP NFTLNK 100615	10,00,000	2	22,79,302	-	-	-
RELCAP 24KIND 300715	1,00,000	25	22,06,400	-	-	-
RELCAP NFTLNK 240915	1,00,000	20	23,94,400	-	-	-
RELCAP NFTLNK 250915	1,00,000	50	56,96,704	-	-	-
RELCAP NFTLNK 271015	1,00,000	73	89,76,737	-	-	-
RELCAP NFTLNK 181215	1,00,000	25	27,28,675	-	-	-
RELCAP NFTLNK 100317	1,00,000	25	23,04,375	-	-	-
RELCAP NFTLNK 310117	1,00,000	100	-	-	-	-
RELCAP NFTLNK 060317	1,00,000	105	1,15,98,900	-	-	-
RELCAP NFTLNK 050517	1,00,000	25	21,36,469	-	-	-
RELCAP NFTIND 060116	1,00,000	25	26,19,975	-	-	-
CIFL RESET	5,00,000	1	5,14,598	-	-	-
ECLFL 12.00 26042020	1,000	45	45,588	-	-	-
TOTAL (C)			24,09,06,600			28,53,26,325

GRAND TOTAL (A+B+C)

29,99,34,271

29,12,35,150

RELIANCE SECURITIES LIMITED
NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS

	April 1, 2014 to March 31, 2015 Amount in ₹	April 1, 2013 to March 31, 2014 Amount in ₹
NOTE 18		
REVENUE FROM OPERATIONS		
Brokerage, commission and fees	1,26,28,45,830	91,26,83,213
Less : Service tax recovered	(12,47,23,551)	(10,04,13,400)
Profit on trading of shares and securities (Net) (Refer note 30)	11,37,72,964	3,16,97,252
Income from advisory services	69,469	2,68,044
Less : Service tax recovered	(6,885)	(29,486)
TOTAL	1,25,19,57,827	84,42,05,623
NOTE 19		
OTHER INCOME		
Interest:		
- on deposits	15,39,22,272	11,64,78,351
- on investments	5,41,507	4,77,51,694
- on income tax refund	45,42,702	35,11,634
Profit on sale of investments	1,45,64,182	1,26,61,488
Profit on sale of assets	13,70,288	-
Dividend from subsidiary company	2,87,50,000	-
Provision for doubtful advances no longer required	39,61,033	-
Liabilities no longer payable written back	38,07,972	-
Miscellaneous income	6,11,602	6,39,75,620
Less : Service tax recovered	(67,278)	(70,37,546)
TOTAL	21,20,04,280	23,73,41,241
NOTE 20		
OPERATING EXPENSES		
Referral Fees	23,03,71,787	19,10,43,063
TOTAL	23,03,71,787	19,10,43,063
NOTE 21		
EMPLOYEE BENEFITS		
Salary, bonus and allowances	44,34,70,078	41,04,84,801
Contribution to provident fund and other funds	2,79,75,834	1,42,35,327
Employee welfare and other amenities	76,15,307	58,59,259
TOTAL	47,90,61,219	43,05,79,387
NOTE 22		
FINANCE COST		
Interests on inter corporate deposits	-	85,01,282
TOTAL	-	85,01,282
NOTE 23		
ADMINISTRATIVE AND OTHER EXPENSES		
Rent, Rates and taxes (net) (refer note 34)	29,83,84,098	32,49,81,372
Electricity (net) (refer note 34)	2,39,49,120	1,71,90,963
Insurance	73,61,545	66,60,798
Advertisement and business promotion	16,68,28,388	3,21,40,237
Postage and courier	71,82,884	37,93,833
Bank charges	1,17,15,932	94,17,016
Communication expenses	2,76,11,426	1,97,43,487
Travelling, conveyance and motor car expenses	2,07,67,882	1,72,67,922
Printing and stationery	73,28,197	71,40,194
Provision for doubtful advances	11,93,691	-
Provision for doubtful debts	1,54,98,730	98,48,872
Bad Debts written off	39,61,033	3,13,37,446
Professional charges	16,48,28,269	14,85,45,881
Auditors' remuneration		
- Audit fees	10,00,000	10,00,000
- Other services	4,50,000	-
Membership and subscription	24,54,570	61,01,954
Stock exchange expenses	46,28,125	80,73,990
Repairs and maintenance - others	2,02,46,266	1,32,96,203
Seminar and training expenses	34,01,158	25,37,885
Software and networking expenses	2,87,40,559	1,63,59,674
Other administration expenses	3,31,60,726	3,68,89,393

TOTAL

85,06,92,599

71,23,27,120

RELIANCE SECURITIES 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
24 Contingent Liabilities		
i Guarantees given by scheduled banks		
On behalf of the Company towards collateral security deposit in favour of Bombay Stock Exchange Limited		
- Cash Segment	14,10,00,000	9,10,00,000
- Futures and Options segment	50,00,000	50,00,000
On behalf of the Company towards collateral security deposit in favour of National Stock Exchange Limited		
- Cash Segment	-	-
- Futures and Options segment	2,48,66,00,000	1,34,86,00,000
ii. Unpaid and undeclared dividend on 10% cumulative redeemable preference shares (includes dividend distribution tax)	1,13,04,07,751	98,04,10,939
iii. Capital commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances)	99,38,388	5,27,714
iv. Claims not acknowledged as debts	24,79,91,231	23,16,77,221

25 Deferred Tax Balances

As per Accounting Standard 22 "Accounting of taxes for income", components of deferred tax balances as at March 31, 2015 are given below:

	As At March 31, 2015	As At March 31, 2014
Deferred Tax Assets*		
Provision for Leave Encashment	8,22,950	2,60,358
Provision for Gratuity	15,36,370	-
Provision for doubtful debts and Brought forward losses	1,09,95,892	77,54,753
Depreciation	19,43,08,567	15,27,00,705
	43,63,701	73,29,075
Net Deferred Tax Assets/(Liabilities)	21,20,27,479	16,80,44,891

* Note: The company has deferred tax assets in the form of brought forward losses and disallowance under income tax. On conservative basis, deferred tax asset has not been recognised.

26 Segment Information for the year ended March 31, 2015

The Company is into stock 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".

27 Related party transactions

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

27.1 Relationships during the year

(A) Parties by whom control exists during the year

Reliance Innoventures Private Limited*	Ultimate Holding Company (Up to March 26, 2015)
Reliance Capital Limited	Holding Company

(B) Subsidiaries

Transasia Insurance Broking Limited	Wholly owned subsidiary (Up to June 29, 2014)
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(C) Fellow subsidiaries

Reliance Capital Trustee Co. Limited	Fellow subsidiary
Reliance Capital Asset Management Limited	Fellow subsidiary
Reliance General Insurance Company Limited	Fellow subsidiary
Reliance Money Express Limited	Fellow subsidiary
Reliance Commodities Limited	Fellow subsidiary
Reliance Financial Limited	Fellow subsidiary
Reliance Wealth Management Limited	Fellow subsidiary
Quant Commodities Private Limited	Fellow subsidiary (Upto April 4, 2014)
Reliance Capital Partners	Fellow subsidiary
Reliance Spot Exchange Infrastructure Limited	Fellow subsidiary
Reliance Home Finance Limited	Fellow subsidiary
Reliance Capital Asset Management Company Limited (U.K)	Fellow subsidiary
Reliance Money Precious Metals Private Limited	Fellow subsidiary

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

(Currency: Indian Rupees)

(D) Key management personnel
Directors of the Company

Mr. Manu Chadha
Mr. Soumen Ghosh (Upto June 27, 2014)*
Mr. Vikrant Gugnani (Upto June 24, 2014)*
Mr. Sanjay Wadhwa (W.e.f. June 24, 2014)
Mr. Lav Chaturvedi* (W.e.f. June 27, 2014)
Ms. Homai Daruwalla* (W.e.f. March 31, 2015)

Company Secretary

Mr. Sanjay Wadhwa (Upto June 30, 2014)
Mr. Ashish Turakhia* (W.e.f. July 1, 2014)

Chief Financial Officer

Mr. Manish Dhanuka (W.e.f. July 1, 2014)

Relatives of key managerial persons

Ms. Caroline Ghosh (Upto June 24, 2014)
Ms. Nisha Chaturvedi (W.e.f. June 27, 2014)
Ms. Megha Dhanuka (W.e.f. July 1, 2014)

Note : * No transaction taken place during the year

(E) Transactions with related parties during the year :

Particulars	Year ended 31st March, 2015			Year ended 31st March, 2014		
	Holding company	Subsidiaries	Fellow Subsidiaries	Holding company	Subsidiaries	Fellow Subsidiaries
Unsecured loan						
Opening balance	-	-	-	-	-	6,65,00,000
Taken during the year	-	-	1,70,00,000	-	-	68,58,00,000
Repaid during the year	-	-	1,70,00,000	-	-	75,23,00,000
Closing balance	76,16,565	-	-	-	-	-
Loans & Advances						
Opening balance	-	-	-	-	-	-
Given during the year	-	-	-	-	3,40,00,000	-
Repaid during the year	-	-	-	-	3,40,00,000	-
Closing balance	-	-	-	-	-	-
Investments						
Opening Investments	1,00,00,000	-	-	86,00,00,000	-	-
Purchase of investments	-	-	-	-	-	-
Redemption of investments	1,00,00,000	-	-	85,00,00,000	-	-
Closing Investments	-	-	-	1,00,00,000	-	-
Receipts						
Infra support charges received	-	-	-	-	-	-
Reimbursement of expenses	-	-	1,28,18,577	5,72,442	-	3,56,38,108
Brokerage Income	43,48,262	-	3,47,78,826	17,38,384	-	3,67,88,835
Interest on investments	-	-	-	4,71,60,105	-	-
Interest on ICD receipts	-	-	-	-	5,91,589	-
Surrender of foreign exchange	-	-	-	-	-	-
Margin money received	37,97,12,968	-	24,93,947	(27,61,91,567)	-	-
Payments						
Reimbursement of expenses	6,21,29,157	-	18,79,191	3,06,52,749	-	17,31,594
Referral Fees	-	-	83,66,843	-	-	1,58,87,265
Interest on ICD payments	-	-	-	-	-	85,01,282
Fixed Assets Purchase	-	-	4,16,401	-	-	-
Employee & Parents Medical	-	-	53,89,625	-	-	-
Purchase of foreign currency	-	-	-	-	-	44,084
Receivable / (Payable)	76,16,565	-	33,84,685	(27,55,48,371)	-	1,05,734

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

(Currency: Indian Rupees)

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

Particulars	Year ended 31st March, 2015 Holding Company	year ended 31st March, 2014 Holding Company
Reliance Capital Limited		
Unsecured loan		
Opening balance	-	-
Taken during the year	-	-
Repaid during the year	-	-
Closing balance	-	-
Investments		
Opening Investments	1,00,00,000	86,00,00,000
Purchase of investments	-	-
Redemption of investments	1,00,00,000	85,00,00,000
Closing Investments	-	1,00,00,000
Receipts/Income		
Reimbursement of Expenses	-	5,72,442
Interest of investments	-	4,71,60,105
Brokerage Income	36,55,563	17,38,384
Margin money received	37,97,12,968	(27,61,91,567)
MGP Income	6,92,699	
Payments/expenditures		
Interest on ICD	-	-
Reimbursement of Expenses	5,76,191	
- Rent	1,06,368	
- Reimbursement of IT exps	3,14,46,599	
- Towards professional charges and Infra support	3,00,00,000	3,06,52,749
Receivable / (Payable)	76,16,565	(27,55,48,371)
Particulars	Subsidiary	Subsidiary
Transasia Composite Insurance Broking Limited		
Loans & Advances		
Opening balance	-	-
Given during the year	2,40,00,000	3,40,00,000
Repaid during the year	2,40,00,000	3,40,00,000
Closing balance	-	-
Receipts and payments		
Infra support charges received	-	-
Interest on inter corporate deposits	36,164	5,91,589
Reimbursement of Expenses - Receipts		
- Towards administrative expenses	-	-
Receivable / (Payable)	-	-
Particulars	Fellow Subsidiaries	Fellow Subsidiaries
Reliance Capital Trustee Co. Limited		
Brokerage Income - Receipts	-	12,11,321
Receivable / (Payable)	-	(12,205)
Reliance Capital Asset Management Limited		
Brokerage Income - M Fund	2,72,85,769	2,92,71,144
Brokerage Income - PMS	31,07,673	
Reimbursement of Expenses - Receipts	-	-
Reimbursement of Expenses - Payments	-	-
Referral Fees	-	-
Margin Money Received	24,90,972	
Receivable / (Payable)	8,92,768	-
Reliance Capital Asset Management Company Limited (U.K)		
Referral Fees	-	-
Receivable / (Payable)	-	-

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

(Currency: Indian Rupees)

Reliance General Insurance Company Limited		
Brokerage Income - Receipts	74,219	24,971
Employees & Parents Medical Insurance Premium	53,89,625	-
Reimbursement of Expenses - Payments		
- Other Administrative Expenses	18,79,191	
- Towards rental expenses		16,06,810
Margin Money Received	2,975	
Receivable / (Payable)	31,07,793	(2,975)
Reliance Home Finance Limited		
Brokerage Income - Receipts	69	
Receivable / (Payable)		
Reliance Money Express Limited	Fellow Subsidiaries	Fellow Subsidiaries
Receipts and payments		
Distribution Income		
Reimbursement of Expenses - Receipts	-	1,92,19,099
- Towards administrative expenses		
Purchase of foreign currency	-	44,084
Receivable / (Payable)	-	-
Reliance Commodities Limited		
Receipts and payments		
Brokerage Income- Receipts		-
Reimbursement of Expenses - Receipts	43,73,533	1,64,19,009
Receivable / (Payable)	-	(4,934)
Reliance Financial Limited		
Unsecured loan		
Opening balance	-	6,65,00,000
Taken during the year	1,70,00,000	68,58,00,000
Repaid during the year	1,70,00,000	75,23,00,000
Closing balance	-	-
Receipts and payments		
Brokerage Income		274
Fixed Assets Purchase	4,16,401	
Interest on ICD - payments	-	85,01,282
Receivable / (Payable)	(4,16,401)	-
Reliance Money Precious Metals Private Limited		
Brokerage Income		10,13,275
MGP Income	6,92,699	
Reimbursement of expenses	78,201	-
Receivable / (Payable)	78,201	78,201
Reliance Wealth Management Limited		
Receipts and payments		
Brokerage Income	43,11,096	52,48,414
Referral Fees	83,66,843	1,58,87,265
Reimbursement of Expenses - Payments	-	1,24,784
Receivable / (Payable)	(9,28,629)	47,647
Margin Money Receivable	2,34,552	
Quant Commodities Private Limited		
Infra support charges received	-	-
Receivable / (Payable)	-	-
Reliance Capital Partners		
Brokerage Income	-	19,435

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

(Currency: Indian Rupees)

	Key Managerial Person	Key Managerial Person
Manishkumar Dhanuka (CFO)		
Brokerage Income	3	-
Receivable / (Payable)	18	-
Manu Chadha (Director)		
Director sitting fees	3,00,000	-
Reimbursement of Expenses	34,254	-
Receivable / (Payable)	-	-
Sanjay Wadhwa		
Brokerage Income	348	-
Receivable / (Payable)	-	-
Ms. Caroline Ghosh		
Brokerage Income	15,404	-
Receivable / (Payable)	-	-
Vikrant Gugnani		
Reimbursement of Expenses		
Brokerage Income	4,365	-
Receivable / (Payable)	-	-
Nisha Chaturvedi		
Brokerage Income	2	-
Receivable / (Payable)	-	-
Megha Dhanuka		
Brokerage Income	420	-
Receivable / (Payable)	-	-

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.

	As At March 31, 2015	As At March 31, 2014
Rental payments of assets	24,27,21,118	28,52,77,979
Rental payments of office premises	4,33,49,487	5,50,62,321

29 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 21	1,85,45,996	1,51,16,594

B. Defined Benefit Plans:
Gratuity and Leave Encashment

The employees' gratuity fund scheme managed by a Trust (Reliance Securities Limited Employees Gratuity Assurance Scheme) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

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

(Currency: Indian Rupees)

C. Employee Benefit Obligation (Gratuity and Leave Encashment)

	Gratuity Benefits (Funded)		Leave Encashment Benefits (Un-Funded)	
	Apr 14- Mar 15	Apr 13- Mar 14	Apr 14- Mar 15	Apr 13- Mar 14
I. Reconciliation of opening and closing balances of Defined Benefit Obligation :				
Liability at the beginning of the year	83,01,631	1,28,20,758	6,51,854	14,17,838
Interest Cost	7,78,693	10,25,661	61,144	1,13,427
Current Service Cost	10,72,086	38,89,642	2,63,403	5,57,150
Benefit Paid	(20,30,853)	(41,96,903)	(5,19,284)	(14,69,877)
Actuarial (gain)/loss on obligations	92,49,167	(52,37,527)	28,58,004	33,316
Liability at the end of the year	1,73,70,724	83,01,631	33,15,121	6,51,854
II. Reconciliation of opening and closing balances of fair value of Plan Assets :				
	Apr 14- Mar 15	Apr 13- Mar 14	Apr 14- Mar 15	Apr 13- Mar 14
Fair Value of Plan Assets at the beginning of the year	1,27,59,396	1,64,63,834	-	-
Expected Return on Plan Assets	11,96,831	14,32,354	-	-
Contributions	-	-	-	-
Benefit Paid	-20,30,853	(41,96,903)	-	-
Actuarial gain/(loss) on Plan Assets	4,73,278	(9,39,889)	-	-
Fair Value of Plan Assets at the end of the year	1,23,98,652	1,27,59,396	-	-
III. Reconciliation of fair value of assets and obligations				
	Apr 14- Mar 15	Apr 13- Mar 14	Apr 14- Mar 15	Apr 13- Mar 14
Liability at the end of the year	-1,73,70,724	83,01,631	33,15,121	6,51,854
Fair value of plan assets at the end of the year	1,23,98,652	1,27,59,396	-	-
(Asset) / Liability Recognised in the Balance Sheet	4,972,071##	(4,457,765)#	3,315,121##	651,854##
# Included under 'short term loans and advances' (Refer Note 16)				
## Included under 'Long term/short term provisions' (Refer Note 4 & 7)				
IV. Expenses recognised during the year :				
	Apr 14- Mar 15	Apr 13- Mar 14	Apr 14- Mar 15	Apr 13- Mar 14
Current Service Cost	10,72,086	38,89,642	2,63,403	5,57,150
Interest Cost	(4,18,138)	10,25,661	61,144	1,13,427
Expected Return on Plan Assets	-	(14,32,354)	-	-
Net Actuarial (Gain)/Loss recognised	87,75,889	(42,97,638)	28,58,004	33,316
Expense Recognised in statement of profit and loss	94,29,837	(8,14,689)	31,82,551	7,03,893
V. Investment details :				
Total value of investments for employees gratuity fund scheme is managed by insurance company				
VI. Assumptions :				
	Apr 14- Mar 15	Apr 13- Mar 14	Apr 14- Mar 15	Apr 13- Mar 14
Discount Rate (per annum)	7.90%	9.38%	7.90%	9.38%
Rate of Return on Plan Assets	7.90%	9.38%	0%	0%
Salary Escalation	6.00%	5.50%	6.00%	5.50%
VII. - Particulars of amounts for the year and previous years				
	2015	2014	2013	2012
Defined Benefit Obligation At The End of the Year	1,73,70,724	83,01,631	1,28,20,758	93,33,953
			2012	2011
				85,36,584

RELIANCE SECURITIES LIMITED

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

(Currency: Indian Rupees)

Fair Value Plan Asset At The End of the Year	1,23,98,652	1,27,59,396	1,64,63,834	1,52,40,398	1,54,33,945
Excess of Obligation Over Plan Asset	49,72,072	(44,57,765)	(36,43,076)	59,06,445	(68,97,361)
Experience Adjustment on Plan Liability (Gain)/Loss	92,49,167	52,37,527	37,35,859	20,73,211	(58,10,881)
Actuarial Gain /(Loss) due to Plan Asset	4,73,278	9,39,889	1,453	5,69,438	(4,93,687)

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.

30 Profit from trading of shares and securities includes loss of ₹ 17,713,448 pertaining to prior period.

31 Employees Stock Option Plan (ESOP)

(i) Pursuant to the board members, resolution dated October 24, 2007, the Company introduced the Employee Stock Option Plan under which the Company decided to grant, from time to time, options to the employees of the Company.

(ii) On October 1 2009, the company issued a total of 100,000 equity shares at a price ₹ 50 per equity share to the **Trust, Reliance ADA Group Trustees Private Limited as Trustees of Reliance Securities Limited Employee Benefit Trust.**

(iii) All above options are planned to be settled in cash or equity at the time of exercise and have maximum period of 7 periods from the date of respective grants. The plan existing during the year is as follows:

a) Employee Stock Option Plan, Plan – IB, 2009 Plan

The option under this plan has an exercise price of ₹ 50/- per share and vest on a graded basis as follows:

Vesting Period	Vesting Schedule
On completion of 3 periods	30%
On completion of 4 periods	30%
On completion of 5 periods	40%

(iv) The information concerning stock options granted, exercised, forfeited and outstanding at the year-end is as follows:

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number of Stock Options	Weighted average exercise price (₹)	Number of Stock Options	Weighted average exercise price (₹)
IB, 2009				
Outstanding at the beginning of the Year	19,000	50	30,300	50
Granted	-	-	-	-
Exercised	-	-	-	-
Cancelled or Expired*	19,000	-	11,300	-
Outstanding at the year end	-	50	19,000	50
Exercisable at end of year	-	50	19,000	50

* Note: During the year all the employees have surrendered their rights, interest and claim in respect of, or in relation to the option vested with them.

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

(Currency: Indian Rupees)

32 Earnings per share

Particulars	As At March 31, 2015	As At March 31, 2014
Net loss after tax as per statement of profit and loss	(16,00,37,273)	(30,72,71,246)
Less: Dividend on cumulative redeemable preference shares [including dividend tax thereon (not declared)]	(14,99,96,813)	(14,52,78,125)
Loss attributable to equity shareholders	(31,00,34,086)	(45,25,49,371)
Weighted average number of equity shares outstanding during the year	2,50,00,000	2,50,00,000
Nominal value per equity share	10	10
Basic and diluted earnings per share	(12.40)	(18.10)

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

34 Expenses shown under the head administration and other expenses is net of expenses incurred for group companies amount to ₹ 17,494,132 (previous year ₹ 25,625,465)

35 Exchange traded contracts outstanding:

A) Outstanding Option Contracts as on 31st March 2015

Particulars	31st March 2015		31st March 2014	
	No. of contracts	No. of units	No. of contracts	No. of units
Stock options long	-	-	8	1000
Stock options short	6	92,000	8	1000
S&P CNX Nifty option long	-	-	1048	52400
S&P CNX Nifty option short	-	-	1500	75000

B) Outstanding Future Contracts as on 31st March 2015

Particulars	31st March 2015		31st March 2014	
	No. of contracts	No. of units	No. of contracts	No. of units
Stock futures long	43	4,96,125	-	-
Stock futures short	42	11,41,295	-	-
Bank Nifty long	-	-	4	100

36 Component of cash and cash equivalents

	As At March 31, 2015	As At March 31, 2014
Balance with banks In current accounts	36,50,65,869	56,76,37,066
Cheques on hand	-	36,577
Cash in hand	-	965
Fixed deposit accounts (less than 3 months)	27,75,00,000	13,00,00,000
	64,25,65,869	69,76,74,608

RELIANCE SECURITIES LIMITED

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

(Currency: Indian Rupees)

37 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

Sanajy Wadhwa
Whole-time director
DIN : 03329219

Lav Chaturvedi
Director
DIN : 02859336

Place : Mumbai
Date : May 4, 2015

Ashish Turakhia
Company Secretary
Membersip No. F3371

Manish Dhanuka
Chief Financial Officer