

Financial Statement

2015-16

Reliance Exchangenext Limited

Independent Auditor's Report

To,
The Members,
Reliance Exchangenext Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Reliance Exchangenext Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 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 misstatement.

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

Independent Auditor's Report (Continued)
Reliance Exchangenext Limited

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. An audit also includes evaluating the appropriateness of the 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

Further to our comments in the Annexure, we state that 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.

Emphasis of Matter

We draw your attention to Note No. 21 to the financial statements which, describes the uncertainty related to the outcome of the matter is under consideration by the Company Law Board, on petition filed against the Company by MMTC Limited.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. Further to our comments in the Annexure A, and as required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

Independent Auditor's Report (Continued)
Reliance Exchangenext Limited

- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 B".
- g) 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) We draw your attention to Note No. 20 & 21 of the financial statements, in which the Company has disclosed about the impact of pending litigations on its financial position in its 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 Pathak H.D. & Associates
Chartered Accountants
Firm's Registration No:107783W

Vishal D. Shah
Partner
Membership No: 119303

Mumbai
Dated : May 05, 2016

Reliance Exchangenext Limited

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

(Referred to in our report of even date)

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

Reliance Exchangenext Limited

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

(Referred to in our report of even date)

service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable. Further, there are no undisputed amounts payable outstanding as at March 31, 2016 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowing to a bank, Government or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loan during the year.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the Management.
- (xi) In our opinion and according to the information and explanations given to us, during the year the Company has neither provided nor paid any managerial remuneration. Hence the provisions of clause 3 (xi) of the Order is not applicable to the Company.
- (xii) The Company is not a Nidhi Company, accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in accordance with the provisions of Section 177 of the Companies Act, 2013. The disclosures related to related party transactions, given in the financial statements, are as per the requirement of accounting standard. During the year under audit, the Company has not entered any related parties transactions which are covered under section 188 of the Companies Act, 2013.

Reliance Exchangenext Limited

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

(Referred to in our report of even date)

- (xiv) In our opinion and according to the information and explanations given to us, during the year under audit, the Company has not made any preferential allotment of shares and fully or partly debentures. During the year the Company has issued equity shares on private placement basis to its holding company as per requirement of Section 42 of the Companies Act, 2013 and the amount raised have been used for the purposes for which the funds were raised.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered any non-cash transactions with directors and persons connected with him. Hence the provisions of clause 3 (xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Pathak H.D. & Associates
Chartered Accountants
Firm's Registration No:107783W

Vishal D. Shah
Partner
Membership No: 119303

Mumbai
Dated : May 05, 2016

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

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

We have audited the internal financial controls over financial reporting of Reliance Exchangenext Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Pathak H.D. & Associates

Chartered Accountants

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

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, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Pathak H.D. & Associates
Chartered Accountants
Firm's Registration No: 107783W

Vishal D. Shah
Partner
Membership No: 119303
Mumbai
Dated : May 05, 2016

RELIANCE EXCHANGENEXT LIMITED
BALANCE SHEET AS AT MARCH 31, 2016

(Amount in Rupees)

	Note No.	As at March 31, 2016	As at March 31, 2015
I EQUITY AND LIABILITIES:			
(1) Shareholders' Funds			
(a) Share Capital	"3"	19 91 00 000	6 91 00 000
(b) Reserves & Surplus	"4"	(13 31 19 446)	(13 28 89 467)
(2) Non Current Liabilities			
Long Term Borrowing	"5"	6 65 00 000	-
(3) Current Liabilities			
Other Current Liabilities	"6"	1 26 507	6 66 19 294
TOTAL		13 26 07 061	28 29 827
II ASSETS:			
(1) Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	"7"	-	-
(b) Non-current Investments	"8"	2 28 000	2 28 000
(c) Long Term Loans & Advances	"9"	15 86 198	16 34 240
(2) Current Assets			
(a) Cash & Cash Equivalents	"10"	7 92 863	9 67 587
(b) Short Term Loans & Advances	"11"	13 00 00 000	-
TOTAL		13 26 07 061	28 29 827

See accompanying notes to the financial statements "1-24"

As per our report of even date

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

Vishal D. Shah
Partner
Membership No. 119303

Place: Mumbai
Dated : May 5, 2016

For and on behalf of the Board

Soumen Ghosh
Director

V. R. Mohan
Director

Atul Kumar Tandon
Director

Abhishek Pacharia
Chief Financial Officer

Akash Anil Gupta
Company Secretary & Manager

Place: Mumbai
Dated : May 5, 2016

RELIANCE EXCHANGENEXT LIMITED

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

(Amount in Rupees)

	Note No.	2015-16	2014-15
Revenue			
Revenue from operations		-	-
Other Income	"12"	-	10 416
Total Revenue		0	10 416
Expenses			
Depreciation and amortization expense	"7"	-	5 948
Other expenses	"13"	2 27 156	1 21 165
Total Expenses		2 27 156	1 27 113
Loss Before Tax		(2 27 156)	(1 16 697)
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
(3) Taxation for earlier years		2 823	14 978
Loss After Tax		(2 29 979)	(1 31 675)
Earnings / (Loss) Per Equity Share :			
(Face value of Rs. 10 each fully paid up)	"19"		
Basic & Diluted		(0.03)	(0.02)

See accompanying notes to the financial statements "1-24"

As per our report of even date

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

Vishal D. Shah
Partner
Membership No. 119303

Place: Mumbai
Dated : May 5, 2016

For and on behalf of the Board

Soumen Ghosh
Director

V. R. Mohan
Director

Atul Kumar Tandon
Director

Abhishek Pacharia
Chief Financial Officer

Akash Anil Gupta
Company Secretary & Manager

Place: Mumbai
Dated : May 5, 2016

RELIANCE EXCHANGENEXT LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(Amount in Rupees)

	2015-16	2014-15
A. Cash Flow from Operating Activities		
Loss Before Tax	(2,27,156)	(1,16,697)
Adjusted for:		
Depreciation	-	5,948
Excess Provision Written Back	-	2,808
Sundry Balance Written Off	-	23,154
Operating Profit before Working Capital Changes	(2,27,156)	(84,787)
Adjusted for:		
Loans & Advances & Trade and Other Receivables	(12,99,51,958)	(17,468)
Trade Payables and Provisions	7,213	(6,33,046)
	(13,01,71,901)	(7,35,301)
Taxes (Paid)/Refund (Net)	(2,823)	1,08,732
Net Cash generated from / (used in) Operating Activities	(13,01,74,724)	(6,26,569)
B. Cash Flow from Investing Activities		
Sale of Investments in Subsidiary Company	-	9,72,000
Net Cash generated from / (used in) Investing Activities	-	9,72,000
C. Cash Flow from Financing Activities		
Equity Share Capital Issued during the year	13,00,00,000	
Net Cash generated from / (used in) Financing Activities	13,00,00,000	-
Net Increase / (decrease) In Cash and Cash Equivalents (A + B + C)	(1,74,724)	3,45,431
Opening Balance of Cash and Cash Equivalents	9,67,587	6,22,156
Closing Balance of Cash and Cash Equivalents	7,92,863	9,67,587

Notes :

- The previous year's figures have been regrouped and reclassified wherever necessary.
- The cash flow statement has been prepared in accordance with "Indirect Method" as prescribed in Accounting Standard- 3 (AS-3) on "Cash Flow Statements" notified by the Companies (Accounting Standards) Rules, 2006.

As per our report of even date

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

Vishal D. Shah
Partner
Membership No. 119303

Place: Mumbai
Dated : May 5, 2016

For and on behalf of the Board

Soumen Ghosh
Director

V. R. Mohan
Director

Atul Kumar Tandon
Director

Abhishek Pacharia
Chief Financial Officer

Akash Anil Gupta
Company Secretary & Manager

Place: Mumbai
Dated : May 5, 2016

RELIANCE EXCHANGENEXT LIMITED

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

- 1 **Background**

Reliance Exchangenext Limited ("the Company") has been incorporated on July 7, 2000 with the Registrar of Companies (RoC), Maharashtra, Mumbai. The Company's main object is to promote either on its own or in association with one or more entities to acquire, purchase or otherwise obtain the membership or trading rights and clearing membership in any Stock Exchanges which will be recognised under the provisions of Securities Contracts (Regulation) Act, 1956; Forward Contracts (Regulation) Act, 1952; Securities and Exchange Board of India Act, 1992; Reserve Bank of India Act, 1934 and other applicable laws for the time being in force including the Rules framed under the respective legislations.
- 2 **Significant Accounting Policies**
 - a **Basis of Preparation of Standalone Financial Statements**

The standalone financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting. They are in conformity with the accounting principles generally accepted in India ("GAAP"), and comply with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006, specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - b **Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.
 - c **Revenue Recognition**
 - (i) **Management Fees:** Management fees are recognized on an accrual basis in accordance with the agreement with the clients.
 - (ii) **Dividend Income:** Dividend Income is recognised when the right to receive payment is established.
 - d **Fixed Assets**
 - (i) All Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any. All costs including financing cost attributable to fixed assets till assets are ready for its intended use are capitalised.
 - (ii) Intangible assets are stated at cost of acquisition less accumulated amortization and impairment loss if any. Cost comprising of software purchased/developed and licensing costs.
 - e **Investments**

Investments are classified into Current Investments and Non Current Investments (Long-term Investment). Current Investments are valued, scrip wise, at cost or fair value, whichever is lower. Long term Investments are valued at cost. Provision for diminution is made scrip wise to recognise a decline, other than temporary.
 - f **Foreign Currency Transaction**

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies at the year end are restated at year end rates.
 - g **Depreciation**
 - (i) Depreciation on tangible assets is provided in accordance with the provisions of Schedule II of the Companies Act, 2013. Tangible assets are depreciated on written down value method over the useful life of assets, as prescribed in Part C of Schedule II of the Companies Act, 2013.
 - (ii) Intangible assets are depreciated on straight line basis over the estimated useful life of the asset, up to a maximum of three years.

RELIANCE EXCHANGENEXT LIMITED

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

h 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. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit / loss per share are included.

i Provision for Current Tax and Deferred Tax

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). 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 if there is 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 reasonably / virtually certain (as the case may be) to be realised.

j Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If such condition exists an asset is treated as impaired, when carrying cost of assets exceeds its recoverable amount. The impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of the depreciable historical cost.

k Provision, Contingent Liabilities and Contingent Assets

The Company creates a provision when there is a present obligation as a result of past events and it is probable that there will be outflow of resources and a reliable estimate of the obligation can be made of the amount of the obligation. Contingent liabilities are not recognised but are disclosed in the notes to the financial statements. 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 a present obligation in respect of which the likelihood of outflow of resources 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 nor disclosed in the financial statements.

RELIANCE EXCHANGENEXT LIMITED

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

3 Share Capital	(Amount in Rupees)	
	As at March 31, 2016	As at March 31, 2015
(a) Authorised:		
2,00,00,000 Equity Shares of Rs.10 each	20,00,00,000	10,00,00,000
(March 31, 2015: 1,00,00,000 Equity Shares of Rs. 10 each)		
Nil	-	5,00,00,000
(March 31, 2015: 50,00,000 Preference Shares of Rs. 10 each)		
	<u>20,00,00,000</u>	<u>15,00,00,000</u>

Note:

In terms of the approval of shareholders obtained at the Extraordinary General Meeting of the Company held as on February 4, 2016 the Company has altered the Authorised Share Capital from Rs.15,00,00,000 divided into 1,00,00,000 equity shares of Rs.10 each and 50,00,000 preference shares of Rs.10 each to 1,50,00,000 equity shares of Rs.10 each and increased Authorised Share Capital from Rs.15,00,00,000 divided into 1,50,00,000 equity shares of Rs.10 each to Rs.20,00,00,000 divided into 2,00,00,000 equity shares of Rs.10 each.

(b) Issued, Subscribed and Fully Paid up		
1,99,10,000 Equity Shares of Rs.10 each	19,91,00,000	6,91,00,000
(March 31, 2015: 69,10,000 Equity Shares of Rs. 10 each)		
	<u>19,91,00,000</u>	<u>6,91,00,000</u>

(c) Reconciliation of Issued, Subscribed and Fully Paid up Equity Share Capital	2015-16		2014-15	
	No. of Shares	Amount	No. of Shares	Amount
Opening Balance	69,10,000	6,91,00,000	69,10,000	6,91,00,000
Add: Addition during the year	1,30,00,000	13,00,00,000	-	-
Less: Reduction during the year	-	-	-	-
Closing Balance	<u>1,99,10,000</u>	<u>19,91,00,000</u>	<u>69,10,000</u>	<u>6,91,00,000</u>

(d) **Rights, Preferences and Restrictions:**
Each equity share holder is entitled to one vote per share carrying dividend right. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(e) **Shares held by Holding Company i.e. Reliance Capital Limited**

Name of the Holder	Equity shares			
	2015-16		2014-15	
	%	Qty.	%	Qty.
Reliance Capital Limited	100	1,99,10,000	100	69,10,000
TOTAL	100	1,99,10,000	100	69,10,000

[Out of the above equity shares 12 equity shares, (Previous year 12 equity shares) are jointly held by Reliance Capital Limited and its nominees.]

4 Reserves & Surplus	(Amount in Rupees)	
	As at March 31, 2016	As at March 31, 2015
(a) Securities Premium Account		
As per Last Balance Sheet	62,10,00,000	62,10,00,000
(b) Deficit in Statement of Profit & Loss		
As per Last Balance Sheet	(75,38,89,467)	(75,37,57,792)
Add: Transfer from Statement of Profit & Loss	<u>(2,29,979)</u>	<u>(1,31,675)</u>
	<u>(75,41,19,446)</u>	<u>(75,38,89,467)</u>
	<u>(13,31,19,446)</u>	<u>(13,28,89,467)</u>

RELIANCE EXCHANGENEXT LIMITED

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

5 Long Term Borrowings	(Amount in Rupees)	
	As at March 31, 2016	As at March 31, 2015
Interest Free Unsecured Term Loan (Refer Note Below) - Related Party (Refer Note No. 18)	6 65 00 000	-
	<u>6 65 00 000</u>	<u>-</u>

Note:

As per addendum agreement dated March 25, 2016 with its holding Company i.e. Reliance Capital Limited, the tenure of the interest free unsecured loan has been extended by 5 years from the date of its maturity i.e. March 30, 2014, accordingly the said loan will due for repayment on March 30, 2019.

6 Other Current Liabilities	(Amount in Rupees)	
	As at March 31, 2016	As at March 31, 2015
Current maturities of long-term debt - Related Party (Refer Note No. 18) #	-	6 65 00 000
Other Payables - Others :##	1 26 507	1 19 294
	<u>1 26 507</u>	<u>6 66 19 294</u>

Notes:

Current maturities of long-term debt, represent interest free unsecured term loan due to holding company, which was due for repayment on March 30, 2014 and still unpaid by the Company. The Company is continuing default in repayment of the said term loan since March 30, 2014. As per addendum agreement dated March 25, 2016 with its holding Company i.e. Reliance Capital Limited, the tenure of the interest free unsecured loan has been extended by 5 years from date of its maturity i.e. March 30, 2014, accordingly the said loan will due for repayment on March 30, 2019.

Other Payables includes TDS Payable and Other Liabilities.

8 Non-current Investments	(Amount in Rupees)				
	Face Value/ Issue Price Rs.	Quantity		Value	
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Non-trade Investments					
In Equity Shares - Unquoted, Fully Paid up					
a) Subsidiary Company					
Reliance Spot Exchange Infrastructure Limited	10	1 76 50 000	1 76 50 000	18 55 00 000	18 55 00 000
Less: Provision for Diminution in value of long term investments				18 55 00 000	18 55 00 000
				<u>-</u>	<u>-</u>
b) Associate Company					
Indian Commodity Exchange Limited (Refer Note No. 21)	5	5 20 00 000	5 20 00 000	47 43 38 470	47 43 38 470
Less: Provision for Diminution in value of long term investments				47 43 38 470	47 43 38 470
				<u>-</u>	<u>-</u>
c) Others					
Indian Agrt Services Private Limited	10	22 800	22 800	2 28 000	2 28 000
				<u>2 28 000</u>	<u>2 28 000</u>
Total Non-Current Investments				<u>2 28 000</u>	<u>2 28 000</u>

Notes:

1 The aggregate value of investments:

	As at March 31, 2016		As at March 31, 2015	
	Book Value	Market Value	Book Value	Market Value
Quoted				
Unquoted	2 28 000	-	2 28 000	-
TOTAL	<u>2 28 000</u>	<u>-</u>	<u>2 28 000</u>	<u>-</u>

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

(Amount in Rupees)

Particulars	Gross Block				Depreciation			Net Block		
	As at April 1, 2015	Additions / Adjustment	Deduction / Adjustment	As at March 31, 2016	As at April 1, 2015	For the year	Deduction	Upto March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible Assets										
Computers	12,500	-	12,500	-	12,500	-	12,500	-	-	-
Total	12,500	-	12,500	-	12,500	-	12,500	12,500	-	-
Previous Year	12,500	-	-	12,500	6,552	5,948	-	-	-	-
Intangible Assets										
Computer Software	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Previous Year	1,16,12,000	-	1,16,12,000	-	1,16,12,000	-	1,16,12,000	-	-	-

Notes :

In respect of Intangible Assets :

- a) It is other than internally generated
- b) In respect of Computer, the same has been removed from Fixed Assets Schedule, by an accounting entry, as the amount in Net Block was Rs. Nil.

RELIANCE EXCHANGENEXT LIMITED

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

2	The aggregate provision for diminution in the value of investments:	As at March 31, 2016	As at March 31, 2015
	Quoted		
	Unquoted	65 98 38 470	65 98 38 470
	TOTAL	65 98 38 470	65 98 38 470
3	Basis of Valuation	As at March 31, 2016	As at March 31, 2015
		at cost less provision for diminution in the value of investments	at cost less provision for diminution in the value of investments
9	Long Term Loans & Advances		(Amount in Rupees)
		As at March 31, 2016	As at March 31, 2015
	Unsecured, Considered Doubtful Loans to Related Party (Refer Note No. 18)	5 90 00 000	5 90 00 000
	Less : Provision for Doubtful Advances	5 90 00 000	5 90 00 000
	Unsecured, Considered Good Other loans and advances		
	-Advance Tax & TDS Deducted	15 88 198	16 34 240
	-Balance with Service tax authorities	15 88 198	16 34 240
		15 88 198	16 34 240
10	Cash & Cash Equivalents		(Amount in Rupees)
		As at March 31, 2016	As at March 31, 2015
	Balances with Banks in Current Account	7 92 863	9 67 587
		7 92 863	9 67 587
11	Short Term Loans & Advances		(Amount in Rupees)
		As at March 31, 2016	As at March 31, 2015
	Unsecured, considered good:		
	-Advance Paid towards Share Application Money to Related Party	13 00 00 000	-
		13 00 00 000	-

RELIANCE EXCHANGENEXT LIMITED

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

12 Other Income	2015-16	2014-15
		<i>(Amount in Rupees)</i>
Excess Provision Written Back	-	2,808
Interest on Income Tax Refund	-	7,608
	<u>-</u>	<u>10,416</u>

13 Other Expenses	2015-16	2014-15
		<i>(Amount in Rupees)</i>
Auditors' Remuneration (Refer Note No. 16)	64,500	50,000
Professional fees	34,198	25,711
Rates & Taxes	21,600	22,300
Bank Charges	5,000	-
Prior Period Expenses	29,213	-
Interest on Income Tax	24,420	-
Printing & Stationery	180	-
Sundry Balance Written Off	-	23,154
Service Tax Receivable Written Off	48,042	-
	<u>2,27,156</u>	<u>1,21,165</u>

14 The management has identified enterprises which has provided goods and services to the Company and which qualify under the definition of medium, micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2008. At any point of time during the year there is no liability due for payment to such micro, small and medium enterprises.

15 In the opinion of management, all the Assets other than Fixed Assets and Non-Current Investments are approximately of the value stated if realised in the ordinary course of business.

16 Auditors' Remuneration	2015-16	2014-15
		<i>(Amount in Rupees)</i>
Audit Fees #	64,500	50,000
	<u>64,500</u>	<u>50,000</u>

Current year audit fees includes service tax

17 Segment Information :
There are no separate Reportable Segments under Accounting Standard -17 (AS-17), on "Segmental Reporting" notified by the Companies (Accounting Standards) Rules, 2006.

18 Related Party Disclosure :

A. List of the Related Parties and their relationship:

- i) Holding Company
Reliance Capital Limited
- ii) Subsidiary Company
Reliance Spot Exchange Infrastructure Limited
- iii) Associate
Indian Commodity Exchange Limited
- iv) Key Managerial Personnel
Shri Akash Anil Gupta - Company Secretary

B. Fellow Subsidiaries

- Reliance Capital Asset Management Limited
- Reliance Asset Management (Singapore) Pte Limited
- Reliance Asset Management (Mauritius) Limited
- Reliance Capital Asset Management (UK) Limited (formerly Reliance Capital Asset Management (UK) Plc)
- Reliance Capital Pension Fund Limited
- Reliance AIF Management Company Limited
- Reliance Capital Trustee Co. Limited
- Reliance General Insurance Company Limited
- Reliance Money Express Limited
- Reliance Money Precious Metals Private Limited
- Reliance Home Finance Limited
- Reliance Securities Limited
- Reliance Commodities Limited
- Reliance Financial Limited
- Reliance Wealth Management Limited

RELIANCE EXCHANGENEXT LIMITED

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

Reliance Money Solutions Private Limited
 Reliance Gilt Limited
 Reliance Spot Exchange Infrastructure Limited
 Reliance Capital AIF Trustee Company Private Limited
 Reliance Life Insurance Company Limited (w.e.f. March 30, 2016)
 Quant Capital Private Limited
 Quant Broking Private Limited
 Quant Securities Private Limited
 Quant Commodity Broking Private Limited
 Quant Capital Finance and Investments Private Limited
 Quant Investments Services Private Limited

B. Transactions during the year with related parties

(Amount in Rupees)

Particulars	Holding Company	Subsidiary Company	Associate	Total
	Reliance Capital Limited	Reliance Spot Exchange Infrastructure Limited	Indian Commodity Exchange Limited	
Share Capital				
a) Equity share issued during the year	13 00 00 000	-	-	13 00 00 000
	(-)	(-)	(-)	(-)
b) Balance of Equity Shares as at March 31, 2016	19 91 00 000	-	-	19 91 00 000
	(69 01 00 000)	(-)	(-)	(69 01 00 000)
Unsecured Loans				
Balance as at March 31, 2016	6 65 00 000	-	-	6 65 00 000
	(6 65 00 000)	(-)	(-)	(6 65 00 000)
Unsecured Advances Taken				
a) Taken during the year	-	-	-	-
	(14 941)	(-)	(-)	(14 941)
b) Repaid during the year	-	-	-	-
	(14 941)	(-)	(-)	(14 941)
c) Balance as at March 31, 2016	-	-	-	-
	(-)	(-)	(-)	(-)
Investments				
Balance as at March 31, 2016 (Gross)	-	18 55 00 000	47 43 38 470	65 98 38 470
	(-)	(18 55 00 000)	(47 43 38 470)	(65 98 38 470)
Provision for Diminution in the value of Investments as at March 31, 2016	-	18 55 00 000	47 43 38 470	65 98 38 470
	(-)	(18 55 00 000)	(47 43 38 470)	(65 98 38 470)
Unsecured Loans				
Balance as at March 31, 2016	-	5 90 00 000	-	5 90 00 000
	(-)	(5 90 00 000)	(-)	(5 90 00 000)
Provision for Doubtful Debts as at March 31, 2016	-	5 90 00 000	-	5 90 00 000
	(-)	(5 90 00 000)	(-)	(5 90 00 000)
Advance Paid towards Share Application Money				
Advance given during the year and Balance as at March 31, 2016	-	-	13 00 00 000	13 00 00 000
	(-)	(-)	(-)	(-)

Notes :

- Figures in Bracket represent previous year figures.
- The above discloses transactions entered during the period of existence of related party relationship. The balances and transactions are not disclosed before existence of related party relationship and after cessation of related party relationship.

RELIANCE EXCHANGENEXT LIMITED

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

19 Basic and Diluted Earnings Per Share

For the purpose of calculation of Basic / Diluted Earnings Per Share the following amounts are considered:

Particulars	(Amount in Rupees)	
	2015-16	2014-15
a) Amounts used as the numerators		
Net Profit/(Loss) After Tax available for equity shareholders	(2,29,979)	(1,31,675)
b) Amounts used as the Denominators		
Weighted average number of equity shares (Nos.)	88,99,071	69,10,000
c) Basic & Diluted Earnings / (Loss) Per Share of Rs. 10/- each (a/b)	(0.03)	(0.02)

20 Contingent Liabilities & Commitments (As certified by the Management) :

Contingent Liabilities	(Amount in Rupees)	
	As at March 31, 2016	As at March 31, 2015
Claims against the Company not acknowledged as debts	(Refer Note 21 below)	(Refer Note 21 below)

21 In case of investment in equity shares of Indian Commodity Exchange Limited (ICEX) :-

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

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

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

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

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

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

22 Disclosure of loans / advances and investments in its own shares by the listed companies, in its subsidiaries, associate etc. (as certified by the management) in terms of Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Particulars	(Amount in Rupees)			
	Outstanding Balance		Maximum Balance outstanding	
	as at March 31, 2016	as at March 31, 2015	2015-16	2014-15
i) Loans and advances in the nature of loans to subsidiaries (Gross)				
a) Reliance Spot Exchange Infrastructure Limited	5,90,00,000	5,90,00,000	5,90,00,000	5,90,00,000
ii) Loans and advances in the nature of loans to associates				
iii) Loans and advances in nature of loans to firms / companies in which directors are interested.				

RELIANCE EXCHANGENEXT LIMITED

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

23 As at March 31, 2016, the Company has carried forward losses and disallowance of expenses under the Income Tax Act, 1961, in reference to Accounting Standard (AS -22) on "Accounting for Taxes on Income" notified by the Companies (Accounting Standards) Rules, 2006. Deferred tax assets constitute mainly of carried forward losses and disallowance of expenses. However the availability of sufficient future taxable income against which such losses can be set off cannot be stated to be virtually certain. Hence, the Company has not recognised any deferred tax asset in the current year, which is as follows:

Particulars	(Amount in Rupees)	
	As at March 31, 2016	As at March 31, 2015
Deferred tax assets comprises the following:		
a) Deferred Tax Liability		
Related to Fixed Assets	-	-
Total	-	-
b) Deferred Tax Asset		
Carried Forward Losses under the Income Tax Act, 1961	95 05 152	94 58 695
Provision for diminution in the value of Investments/Doubtful Advances	22 21 21 087	22 21 21 087
Total	<u>23 16 26 239</u>	<u>23 15 79 783</u>
Net Deferred Tax Liabilities/(Asset) (a) - (b)	<u>(23 16 26 239)</u>	<u>(23 15 79 783)</u>

24 Previous year's figures are regrouped/reclassified, wherever necessary.

As per our report of even date

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

Vishal D. Shah
Partner
Membership No. 119303

Place: Mumbai
Dated : May 5, 2016

For and on behalf of the Board

Soumen Ghosh
Director

V. R. Mohan
Director

Atul Kumar Tandon
Director

Abhishek Pacharia
Chief Financial Officer

Akash Anil Gupta
Company Secretary & Manager

Place: Mumbai
Dated : May 5, 2016

Statement Containing salient features of the financial statement of subsidiaries / associate companies
(Pursuant to first proviso to Sub-section 3 of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part 'A': Subsidiary

Sl. No.	Name	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	(Amount in Rupees)	
											Proposed Dividend (Excluding Dividend Tax)	% of shareholding
1	Reliance Spot Exchange Infrastructure Limited	176,500,000.00	(224,691,871.60)	10,889,053.00	10,889,053.00	50,000.00	-	(697,137.00)	-	(699,891.00)	-	100.00

Note:

The Financial Year of the Subsidiary is for 12 months from April 1, 2015 to March 31, 2016.

Name of Subsidiaries which are yet to commence operations - Nil
Name of Subsidiaries which have been acquired during the year - Nil

Statement Containing salient features of the financial statement of subsidiaries / associate companies
(Pursuant to first proviso to Sub-sec(3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part 'B': Associate

(Amount in Rupees)

Sr. No.	Name	Latest audited Balance Sheet Date	Shares of Associate held by the Company on the year end			Description of how there is significant influence	Reason why the associate / joint venture is not consolidated	Network attributable to shareholder as per latest audited Balance Sheet	Profit / Loss for the year	
			No.	Amount of Investment in Associate / Joint Venture	Extend of Holding %				In Consolidation	i. Not Considered in Consolidation
1	Indian Commodity Exchange Limited	31.03.2016	52,000,000	474,338,470	26	Refer Note 1 below	-	9,902,115.08		

Name of associates which are yet to commence operations - There is no associate which is yet to commence operation.

Name of associates which have been liquidated or sold during the year - Nil

Notes:

1. There is significant influence due to percentage (%) of share capital.
2. The Company does not have any joint venture during the year.

For and on behalf of the Board

Soumen Ghosh
Director

V. R. Mohan
Director

Ajaj Kumar Tandon
Director

Abhishek Pachheria
Chief Financial Officer

Akash Anil Gupta
Company Secretary & Manager

Place: Mumbai
Dated : May 5, 2016