

Financial Statement

2014-15

Reliance Capital Asset Management Limited

Independent Auditors' Report

To the Members of Reliance Capital Asset Management Limited

Report on the financial statements

We have audited the accompanying financial statements of Reliance Capital Asset Management Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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 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.

Independent Auditors' Report (*Continued*)

Reliance Capital Asset Management Limited

Auditors' responsibility (continued)

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

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 31 March 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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 Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order.

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- 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:
 - a. the Company has disclosed the impact of pending litigation on its financial position in financial statement – refer note 3.24 (a) to the financial statements;

Independent Auditors' Report (Continued)
Reliance Capital Asset Management Limited

Report on Other Legal and Regulatory Requirements (continued)

- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Mumbai
29 April 2015

Milind Ranade
Partner
Membership No: 100564

Reliance Capital Asset Management Limited

Annexure to the draft Independent Auditors' Report

(Referred to in our report of even date)

1.
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
2. The Company is a service company primarily rendering asset management services, portfolio management services. Accordingly, it does not hold any inventories. Thus, paragraph 3 (ii) of the Order is not applicable.
3. According to the information and explanation given to us, the Company had granted unsecured Inter Company Deposit to the holding company covered in the register maintained under section 189 of the Act. During the year, the company has received the entire deposit along with the interest there on.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to the purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
5. According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the provisions of section 73 to section 76 or other relevant provisions of the Act and rules framed there under apply.
6. The Central Government has not prescribed the maintenance of cost records under sub-section 1 of Section 148 of the Act, for any of the services rendered by the Company.
7.
 - (a) According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income tax, Service tax, Provident Fund, Employees State Insurance and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales tax, Wealth tax, Excise duty and Customs duty. According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Service tax, Provident Fund, Employees State Insurance, and other material statutory dues were in arrears as at 31 March 2015 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 or Service tax or Provident Fund or Employees State Insurance and other material statutory dues which have not been deposited by the Company on account of disputes.
 - (c) According to the information and explanations given to us, there are no dues of investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder which is required to be transferred.

Reliance Capital Asset Management Limited

Annexure to the draft Independent Auditors' Report (*Continued*)

8. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the Company did not have any dues to any financial institution or bank. The Company did not have any outstanding debentures during the year. Thus, paragraph 3(ix) of the Order is not applicable.
10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Thus, paragraph 3 (x) of the Order is not applicable.
11. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, the Company does not have any term loans and hence, paragraph 3 (xi) of the Order is not applicable.
12. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Mumbai
29 April 2015

Milind Ranade

Partner

Membership No: 100564

Reliance Capital Asset Management Limited

Balance Sheet

as at 31 March 2015

(Currency: Indian rupees)

	Note	31 March 2015	As at 31 March 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3.1	412,700,000	112,700,000
Reserves and surplus	3.2	13,045,853,615	13,178,452,122
		13,458,553,615	13,291,152,122
Non Current Liabilities			
Long - term provisions	3.3	32,121,000	23,506,128
		32,121,000	23,506,128
Current Liabilities			
Trade payables	3.4	860,758,515	730,429,292
Other current liabilities	3.5	455,457,477	332,506,316
Short - term provisions	3.6	1,831,052,639	2,053,775,247
		3,147,268,631	3,116,710,855
TOTAL		16,637,943,246	16,431,369,105
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	3.7	42,274,662	110,929,611
Intangible assets	3.7	26,714,485	25,574,407
Non - current investments	3.8A	4,338,947,311	3,240,049,934
Deferred tax assets	3.9	121,280,561	81,922,429
Long - term loans and advances	3.10	2,950,390,722	1,067,035,917
Other non - current assets	3.11	39,374,623	36,635,340
		7,518,982,364	4,562,147,637
Current assets			
Current investments	3.8B	4,110,069,442	4,297,221,801
Trade receivables	3.12	155,781,800	87,515,490
Cash and bank balance	3.13	242,869,992	309,598,416
Short - term loans and advances	3.14	4,442,247,559	7,042,156,532
Other current assets	3.15	167,992,089	132,729,228
		9,118,960,882	11,869,221,467
TOTAL		16,637,943,246	16,431,369,105

The notes referred to above form an integral part of the financial statements

Significant accounting policies and notes to the accounts 2 & 3

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W / W-100022

For and on behalf of the Board of Directors of

Reliance Capital Asset Management Limited

Milind Ranade

Partner

Membership No. 100564

Soumen Ghosh

Director

Kanu Doshi

Director

Sundeep Sikka

Chief Executive Officer

Prateek Jain

Chief Financial Officer

Ajay Patel

Manager

Gajendra Thakur

Company Secretary

Mumbai, 29 April 2015

Reliance Capital Asset Management Limited

Statement of Profit and Loss

for the period ended 31 March 2015

(Currency: Indian rupees)

	Note	For the period ended 31 March 2015	For the period ended 31 March 2014
Income			
Revenue from operations - management fees	3.16	8,218,472,440	6,618,042,633
Other income	3.17	1,082,678,397	1,183,717,598
Total revenue		9,301,150,837	7,801,760,231
Expenditure			
Employee benefits expense	3.18	1,510,880,036	1,365,573,911
Administrative and other expenses	3.21	1,759,985,666	1,530,660,681
Marketing and publicity expenses	3.22	1,438,655,051	940,073,456
Depreciation	3.7 & 3.32	127,638,007	71,734,396
Total expenses		4,837,158,760	3,908,042,444
Profit before tax & exceptional items		4,463,992,077	3,893,717,787
Exceptional Items	3.34	1,675,187	57,565,191
Profit before tax for the period		4,462,316,890	3,836,152,596
Net Expenses of demerged division for 13-14	3.33	29,138,759	-
Profit before tax		4,433,178,131	3,836,152,596
Income tax expense			
Current tax (Net of MAT credit entitlement)		(1,022,000,000)	(797,000,000)
Reversal of previous year		136,113,032	(910,196)
MAT credit asset		418,946,604	398,576,034
MAT credit utilised		(418,946,604)	(398,576,034)
Deferred tax credit		26,049,929	1,181,487
Profit After Tax		3,573,341,092	3,039,423,887
Basic earning per share of Rs. 10 each	3.26	323.21	275.28
Diluted earning per share of Rs. 10 each	3.26	322.82	274.03

The notes referred to above form an integral part of the financial statements

Significant accounting policies and notes to the accounts 2 & 3

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W / W-100022

For and on behalf of the Board of Directors of
Reliance Capital Asset Management Limited

Milind Ranade
Partner
Membership No. 100564

Soumen Ghosh
Director

Kanu Doshi
Director

Sundeep Sikka
Chief Executive Officer

Prateek Jain
Chief Financial Officer

Mumbai, 29 April 2015

Ajay Patel
Manager

Gajendra Thakur
Company Secretary

Reliance Capital Asset Management Limited

Cash Flow Statement

for the period ended 31 March 2015
(Currency: Indian rupees)

Particulars	For the period ended 31 March 2015	For the period ended 31 March 2014
A. Cash flow from operating activities		
Profit before tax as per statement of profit and loss for the period	4,462,316,890	3,836,152,596
Adjusted for		
Depreciation	127,638,007	71,734,396
Provision for Wealth Tax	22,914	15,849
Dividend Income	(115,530,915)	(216,374,229)
Interest Income	(689,622,699)	(718,264,441)
(Profit) / Loss on sale of Investment (Net)	(271,761,828)	(247,425,475)
Net (gain) or Loss on Foreign Currency Transactions & Translations	848,649	2,567,736
Diminution in Value of Investments	1,675,187	57,565,191
Loss on sale of Fixed Assets	4,952,300	9,905,759
	<u>(941,778,385)</u>	<u>(1,040,275,216)</u>
Operating Profit before Working Capital changes	3,520,538,505	2,795,877,380
(Increase) / Decrease in Long Term Loans & Advances	(1,395,493,457)	(218,595,855)
(Increase) / Decrease in Other Non Current Assets	(2,739,283)	(2,445,514)
(Increase) / Decrease in Trade Receivable	(51,589,211)	34,009,889
(Increase) / Decrease in Short Term Loans & Advances	(1,705,077,976)	(214,950,524)
(Increase) / Decrease in Other Current Assets	(17,352,177)	-
Increase / (Decrease) in Long term provisions	8,550,101	(4,734,514)
Increase / (Decrease) in Short term provisions	32,471,379	429,668
Increase / (Decrease) in Trade payables	119,159,023	227,738,616
Increase / (Decrease) in Other Current Liabilities	122,102,512	(17,268,570)
	<u>(2,889,969,089)</u>	<u>(195,816,806)</u>
Cash generated from Operations	630,569,416	2,600,060,574
Taxes Paid	(987,497,998)	(804,504,943)
Refund received (including interest)	19,637,781	13,365,358
Net Cash (used) / generated from operating activities	(337,290,801)	1,808,920,988
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(44,643,090)	(27,642,026)
Sale of Fixed Assets	1,064,959	3,101,577
Inter Corporate Deposit received	4,500,000,000	4,500,000,000
Inter Corporate Deposit given	(315,000,000)	(3,750,000,000)
Loan to ESOP Trust (net of repayment)	22,413,048	26,452,605
Purchase of Investments	(17,842,268,195)	(16,931,709,047)
Investment in Subsidiaries	-	(67,363,921)
Sale of Investments	17,147,709,819	15,385,462,099
Sale of Investments in Subsidiaries	52,900,000	-
Interest Received	689,628,015	607,286,684
Dividend Received	97,614,915	240,612,979
	<u>97,614,915</u>	<u>240,612,979</u>
Net Cash from / (used in) Investing Activities	4,309,419,471	(13,799,050)
C. Cash Flow from Financing Activities		
Redemption of Preference Share Capital	-	(1,999,900)
Interim Dividend paid including DDT	(2,018,205,064)	-
Dividend paid including DDT	(2,021,673,600)	(1,886,918,758)
	<u>(2,021,673,600)</u>	<u>(1,886,918,758)</u>
Net Cash from / (used in) Financing Activities	(4,039,878,664)	(1,888,918,658)
Net increase/(decrease) in cash and cash Equivalents (A+B+C)	(67,749,994)	(93,796,720)
Opening Balance of Cash and Cash Equivalents	309,598,416	403,395,136
Opening Cash and Cash Equivalents of merged division - Azalia (refer note 3.33)	1,021,570	
Closing Balance of Cash and Cash Equivalents	242,869,992	309,598,416
Cash and cash equivalents comprising of :		
Cash on Hand	19,734	85,775
Balance with banks in Current Accounts	226,559,166	309,205,842
Cheques in hand	16,280,716	
Effect of exchange differences on balances with banks in foreign currency	10,376	306,799
	<u>242,869,992</u>	<u>309,598,416</u>
Total	242,869,992	309,598,416

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W / W-100022

For and on behalf of the Board of Directors
Reliance Capital Asset Management Limited

Milind Ranade
Partner
Membership No. 100564

Soumen Ghosh
Director

Kanu Doshi
Director

Sundeep Sikka
Chief Executive Officer

Prateek Jain
Chief Financial Officer

Mumbai, 29 April 2015

Ajay Patel
Manager

Gajendra Thakur
Company Secretary

Reliance Capital Asset Management Limited

Significant accounting policies and notes to the accounts

for the year ended 31 March 2015

1 Background

Reliance Capital Asset Management Limited ('the Company') was incorporated on 24 February 1995.

The principal shareholder of the Company as at 31 March 2015 is Reliance Capital Limited.

The Company's principal activity is to act as an investment manager to Reliance Mutual Fund ('the Fund') and to provide Portfolio Management Services ('PMS') to clients under Securities and Exchange Board of India (SEBI) (Portfolio Managers) Regulations, 1993. The Company is registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996. The Company manages the investment portfolio of the Fund and provides various administrative services to the Fund as laid down in the Investment Management Agreement dated 12 August 1997.

2 Significant accounting policies

2.1 Basis of preparation

The accompanying financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government which continue to apply under section 133 of Companies Act 2013, read with Rule 7 of Companies (accounts) rule 2014 and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian Rupees. The accounting policies set out below have been applied consistently to the periods prescribed in the financial statements except otherwise disclosed separately. The financial statements are presented in Indian Rupees.

2.2 Use of Estimates

The preparation of the financial statements, in conformity with generally accepted accounting principles (GAAP), requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and 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 may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 Fixed assets and depreciation

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost includes all expenses incidental to the acquisition of the fixed assets.

Depreciation of fixed assets is provided on straight line in accordance with useful lives specified in Schedule II to the Companies Act, 2013 which are mentioned as under :

Asset Class	Useful Life (years)
Office Equipments	5
Furniture & Fixtures	10
Vehicles	8
IT Equipments – Computers & Printers	3

Leasehold improvements are amortised over the primary period of the lease on straight-line basis or useful life of asset, whichever is lower.

Intangible assets comprising of software purchased / developed and licensing costs are amortised over the useful life of the software up to a maximum of three years commencing from the date on which such software is first utilised.

Goodwill is amortised over estimated useful life or five years, whichever is lower.

The Company provides pro-rata depreciation from the day the asset is put to use and for any asset sold, till the date of sale.

2.4 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 indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit 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 recognized in the statement of profit and loss. 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 a maximum of depreciable historical cost.

2.5 Investments

Purchase and sale of investments are recorded on trade date.

Investments are classified as long term or current based on intention of the management at the time of purchase. Investments that are intended to be held for not more than 1 year from the date on which such investments are made, are classified as current. All other investments are classified as long term investments.

Long-term investments are stated at cost of acquisition. Provision for diminution is made to recognise a decline, other than temporary, in the value of investments.

Current investments are valued at the lower of cost or net realisable value. The comparison of cost and net realisable value is done separately in respect of each individual investment.

Reliance Capital Asset Management Limited

Significant accounting policies and notes to the accounts

for the year ended 31 March 2015

2.6 Revenue recognition

Revenue is recognised when there is reasonable certainty of its ultimate realisation/collection.

Investment Management Fees (net of service tax)

Investment Management fees are recognised on an accrual basis in accordance with Investment Management Agreement and SEBI (Mutual Fund) Regulations, 1996 based on average assets under management (AUM) of Reliance Mutual Fund schemes.

Advisory Fees (net of service tax)

Advisory fees are recognised on an accrual basis in accordance with agreement entered into with respective investment managers / advisors.

Portfolio Management Fees (net of service tax)

Portfolio Management fees are recognised on an accrual basis in accordance with Portfolio Management Agreement entered with respective clients.

Profit or loss on Sale of Investments

The gains/ losses on sale of investments are recognised in the statement of profit and loss on the trade day. Profit or loss on sale of investments is determined on weighted average cost basis.

Interest income is accounted on a time proportion basis.

Dividend income is recognised when the right to receive dividend is established.

2.7 Transactions in foreign currency

Foreign currency transactions are recorded at the rates of exchange prevailing on the date 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 as at the balance sheet date are translated at the closing exchange rate on that date. The exchange differences, if any, are recognised in the statement of profit and loss and related assets and liabilities are accordingly restated in the balance sheet.

2.8 Employee Benefits

Provident Fund

The Company expenses its contribution to the statutory provident fund, a defined contribution scheme, made at 12% of the basic salary of each employee.

Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan 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 is measured at the present value of the estimated future cash flows. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Actuarial gains and losses are recognised immediately in the statement of profit and loss.

Benefits in respect of gratuity, a defined benefit scheme, and superannuation, a defined contribution scheme, as applicable to employees of the Company are annually funded with the Reliance Life Insurance Company Limited and Birla Sun Life Insurance Company Limited respectively.

Leave Encashment

Leave Encashment which is a defined benefit, is accrued based on an actuarial valuation at the balance sheet date carried out by an independent actuary.

Compensated absences

The employees of the Company are entitled to compensated absence. The employees can carry forward a portion of the unutilized accrued leave balance and utilize it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the service that increases the entitlement. The Company measures the expected cost of compensated absence as the amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

Reliance Capital Asset Management Limited

Significant accounting policies and notes to the accounts

for the year ended 31 March 2015

2.9 New fund offer expenses of mutual fund and PMS schemes

Expenses relating to new fund offer of mutual fund and PMS schemes are charged in the statement of profit and loss in the year in which such expenses are incurred except for closed ended schemes which are recognised over the duration of the scheme.

2.10 Fund expenses

Expenses incurred on behalf of schemes of Reliance Mutual Fund are recognised in the statement of profit and loss under marketing and publicity expenses unless considered recoverable from the schemes in accordance with the provisions of SEBI (Mutual Fund) Regulations, 1996.

Expenses directly incurred for the schemes of Reliance Mutual Fund are charged to the statement of profit and loss under respective heads.

2.11 Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as Operating Leases. Operating lease rentals are recognised as an expense on straight line basis over the lease period.

2.12 Tax

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 where there is convincing evidence that the same can be realised in future. The company has balance of unrecognised MAT credit of Rs. 416,071,051 (P.Y. Rs. 835,017,655) as at 31 March 2015.

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 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

2.14 Contingencies and provisions

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 a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Reliance Capital Asset Management Limited

3. Notes to the accounts

as at 31 March 2015

(Currency: Indian rupees)

3.1 Share Capital

Particulars	As at	
	31 March 2015	31 March 2014
Authorised		
Equity shares, Rs.10 par value		
12,000,000 (12,000,000) equity shares	120,000,000	120,000,000
Preference shares, Rs.100 par value		
3,000,000 (350,000) preference shares	300,000,000	35,000,000
	420,000,000	155,000,000
Issued, subscribed and paid up		
Equity Shares, Rs.10 par value		
11,520,000 (11,520,000 shares) equity shares fully paid up	115,200,000	115,200,000
Less : Amount recoverable from Reliance Capital Asset Management Employee Benefits Trust ("ESOP Trust"), (2,00,000 Equity Shares of Rs.10 each allotted to the Trust during the year 2007-08)	2,000,000	2,000,000
	500,000	500,000
Less : Amount recoverable from ESOP Trust (50,000 equity shares of Rs.10 each allotted to ESOP Trust during the year 2010-11)		
	112,700,000	112,700,000
Preference shares, Rs.100 par value		
3,000,000 6% Non-Cumulative Redeemable Preference shares of Rs.100 each	300,000,000	-
	300,000,000	-
Total Share Capital	412,700,000	112,700,000

Reliance Capital Asset Management Limited

Notes to the accounts

as at 31 March 2015

(Currency: Indian rupees)

I. The details of equity shareholders holding more than 5% of equity share capital and shares held by holding company is set out below :

Name of the shareholder	As at			
	31 March 2015		31 March 2014	
	No. of shares	% held	No. of shares	% held
Reliance Capital Limited ('Holding Company')	6,478,000	56.233%	7,514,800	65.233%
Nippon Life Insurance Company	4,032,000	35.000%	2,995,200	26.000%

II. The reconciliation of the number of shares outstanding and the amount of share capital is set out below:

Particulars	As at			
	31 March 2015		31 March 2014	
	No. of shares	Amount	No. of shares	Amount
Equity shares at the beginning	11,520,000	115,200,000	11,520,000	115,200,000
Add / (Less): Bonus shares issued during the year	-	-	-	-
Equity shares at the end	11,520,000	115,200,000	11,520,000	115,200,000

Particulars	As at			
	31 March 2015		31 March 2014	
	No. of shares	Amount	No. of shares	Amount
Preference shares at the beginning	-	-	19,999	1,999,900
Add / (Less): movement during the year	3,000,000	300,000,000	(19,999)	(1,999,900)
Preference shares at the end	3,000,000	300,000,000	-	-

III. The details of preference shareholders holding more than 5% of preference share capital is set out below :

Name of the shareholder	As at			
	31 March 2015		31 March 2014	
	No. of shares	% held	No. of shares	% held
Reliance Television Private Limited	3,000,000	100.00	-	-

Terms / rights attached to equity shares :

The Company has one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after the distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

IV. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

1. 3,000,000 6% Non-Cumulative Redeemable Preference shares of Rs.100 each have been issued in the current financial year as per the terms of the agreement at the face value. (refer note 3.33)

2. 19,999 1% Non-Cumulative Redeemable Preference shares of Rs.100 each have been redeemed in the financial year 13-14 as per the terms of the agreement at the face value.

3. 760,000 fully paid equity shares of Rs. 10 each have been allotted as bonus shares by capitalisation of capital redemption reserve on 9 May 2012.

Reliance Capital Asset Management Limited

Notes to the accounts

as at 31 March 2015

(Currency: Indian rupees)

Particulars	As at	
	31 March 2015	31 March 2014
3.2 Reserves and surplus		
Securities premium account		
Opening Balance	5,552,850,300	5,552,850,300
Add: received during the year	-	-
	<u>5,552,850,300</u>	<u>5,552,850,300</u>
Less : Amount recoverable from ESOP Trust (2,00,000 equity shares of Rs.10 each allotted to ESOP Trust during the year 2007-08)	196,160,000	256,160,000
Less : Amount recoverable from ESOP Trust (50,000 equity shares of Rs.10 each allotted to ESOP Trust during the year 2010-11)	99,490,000	114,490,000
Balance at the end of the year	<u>5,257,200,300</u>	<u>5,182,200,300</u>
Capital redemption reserve		
Balance at the beginning of the year	4,406,900	2,407,000
Less : Amount utilised towards issue of fully paid equity shares	-	-
Add: Amount transferred from General Reserve for redemption of preference shares	-	1,999,900
Balance at the end of the year	<u>4,406,900</u>	<u>4,406,900</u>
General reserve		
Balance at the beginning of the year	1,036,863,081	734,920,592
Add: Amount transferred from surplus	254,045,450	303,942,389
Less: Amount transferred to Capital Redemption Reserve for redemption of preference shares	-	1,999,900
Less : Amount utilised for impact of change in depreciation policy	25,845,085	-
Balance at the end of the year	<u>1,265,063,446</u>	<u>1,036,863,081</u>
Surplus		
Balance at the beginning of the year	6,954,981,841	6,241,173,943
Add : Profit after tax for the year	3,573,341,092	3,039,423,887
Profit available for appropriations	<u>10,528,322,933</u>	<u>9,280,597,830</u>
Interim dividend on equity shares	(1,681,920,000)	-
Proposed dividend on equity shares	(1,440,000,000)	(1,728,000,000)
Proposed dividend on preference share	(3,106,849)	-
Tax on Interim dividend	(336,285,064)	-
Tax on proposed dividend	(293,782,600)	(293,673,600)
Transfer to General Reserve	(254,045,450)	(303,942,389)
Balance at the end of the year	<u>6,519,182,970</u>	<u>6,954,981,841</u>
Total Reserves and surplus	<u><u>13,045,853,615</u></u>	<u><u>13,178,452,122</u></u>

Reliance Capital Asset Management Limited

Notes to the accounts

as at 31 March 2015

(Currency: Indian rupees)

Particulars	31 March 2015	As at 31 March 2014
3.3 Long - term Provisions		
Provision for Employee benefits:		
Provision for leave encashment	32,121,000	23,506,128
	<u>32,121,000</u>	<u>23,506,128</u>
3.4 Trade Payables		
Trade payables*	860,758,515	730,429,292
	<u>860,758,515</u>	<u>730,429,292</u>
3.5 Other current liabilities		
Statutory liabilities	79,782,446	29,867,851
Outstanding liabilities against expenses*	375,675,031	302,638,465
	<u>455,457,477</u>	<u>332,506,316</u>
<p>(*) The Company does not have any outstanding dues towards small scale industrial undertakings as at 31 March 2015. The Company did not have any outstanding dues to any micro or small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 at any point during the year that were outstanding for a period of more than 45 days from the date of acceptance (as certified by Management).</p>		
3.6 Short - term Provisions		
Provision for Employees' benefit:		
Provision for leave encashment	542,629	635,073
Provision for compensated absence cost	28,604,806	26,084,400
Provision for Gratuity	30,051,708	-
Proposed Dividend on equity shares (including DDT thereon)	1,733,150,119	2,021,673,600
Proposed Dividend on preference shares (including DDT thereon)	3,739,330	-
Provision for income tax (net of advance tax Rs. 987,060,196 (PY Rs. 851,945,284))	34,964,047	5,382,174
	<u>1,831,052,639</u>	<u>2,053,775,247</u>

Reliance Capital Asset Management Limited

Schedule to Financial Statements (continued)

as at 31 March 2015

(Currency: Indian rupees)

3.7 Fixed Assets

As at 31 March 2015

Assets	Gross Block (At Cost)				Depreciation					Net Block
	As at 1.4.2014	Additions	Deductions	As at 31.03.2015	Up to 1.4.2014	During the Year	Deductions	Addition / Adjustments*	Up to 31.03.2015	As at 31.03.2015
Tangible assets										
Computer	176,260,869	21,007,884	16,884,421	180,384,332	141,011,470	20,455,348	16,464,651	15,323,642	160,325,809	20,058,523
Vehicle	11,434,816	-	225,400	11,209,416	6,982,614	1,429,352	192,020	(2,401,444)	5,818,502	5,390,914
Office Equipment	115,368,654	2,595,634	14,339,186	103,625,102	70,890,727	5,229,764	9,625,996	36,785,133	103,279,628	345,474
Furniture	46,895,411	0	6,851,704	40,043,707	37,484,666	2,808,589	6,059,463	(2,445,393)	31,788,399	8,255,308
Leasehold Improvements	171,912,795	4,370,275	30,946,234	145,336,836	154,573,458	10,081,934	30,887,556	3,344,557	137,112,393	8,224,443
Sub Total	521,872,545	27,973,793	69,246,945	480,599,393	410,942,935	40,004,987	63,229,686	50,606,495	438,324,731	42,274,662
Intangible assets										
Software	75,482,716	17,539,879	-	93,022,595	49,908,308	16,399,802	-	-	66,308,110	26,714,485
Goodwill	-	59,780,010	-	59,780,010	-	-	-	59,780,010	59,780,010	-
Sub Total	75,482,716	77,319,889	-	152,802,605	49,908,308	16,399,802	-	59,780,010	126,088,120	26,714,485
Grand Total	597,355,260	105,293,682	69,246,945	633,401,997	460,851,243	56,404,789	63,229,686	110,386,505	564,412,851	68,989,146

* Includes Rs. 25,845,085 (net of deferred tax of Rs. 13,308,202) adjusted against General Reserve (refer note 3.32)

As at 31 March 2014

Assets	Gross Block (At Cost)				Depreciation					Net Block
	As at 1.4.2013	Additions	Deductions	As at 31.03.2014	Up to 1.4.2013	During the Year	Deductions	Addition / Adjustments*	Up to 31.03.2014	As at 31.03.2014
Tangible assets										
Computer	180,954,126	11,411,946	16,105,203	176,260,869	134,859,571	20,561,770	14,409,871	-	141,011,470	35,249,400
Vehicle	15,028,988	-	3,594,172	11,434,816	8,721,465	1,627,061	3,365,912	-	6,982,614	4,452,202
Office Equipment	133,938,120	1,340,167	19,909,632	115,368,654	76,063,614	8,080,692	13,253,579	-	70,890,727	44,477,927
Furniture	56,127,190	152,905	9,384,684	46,895,411	42,044,281	2,445,995	7,005,610	-	37,484,666	9,410,745
Leasehold Improvements	236,184,469	7,189,803	71,461,477	171,912,795	203,442,619	20,543,698	69,412,860	-	154,573,458	17,339,337
Sub Total	622,232,892	20,094,822	120,455,168	521,872,545	465,131,550	53,259,217	107,447,832	-	410,942,935	110,929,610
Intangible assets										
Software	67,935,509	7,547,207	-	75,482,716	31,433,129	18,475,180	-	-	49,908,308	25,574,407
Sub Total	67,935,509	7,547,207	-	75,482,716	31,433,129	18,475,180	-	-	49,908,308	25,574,407
Grand Total	690,168,401	27,642,028	120,455,168	597,355,260	496,564,679	71,734,396	107,447,832	-	460,851,243	136,504,018

Reliance Capital Asset Management Limited

Schedule to Financial Statements (continued)

as at 31 March 2015

(Currency: Indian rupees)

Particulars	Face Value	Quantity As at 31.03.2015	Cost / Fair Value As at 31.03.2015	Quantity As at 31.03.2014	Cost / Fair Value As at 31.03.2014
3.8A Non - current investments					
A. Trade Investment (Valued at Cost unless stated otherwise)					
Unquoted Equity Instruments :					
(I) Investment in subsidiaries (Unquoted, fully paid up)					
Reliance Asset Management (Mauritius) Limited	USD 10	196,000	87,662,225	196,000	87,662,225
Reliance Asset Management Singapore Pte Limited	SGD 1	5,742,533	220,189,388	5,742,533	220,189,388
Reliance Asset Management (U.K) PLC	GBP 1	3,240,000	250,310,980	3,240,000	250,310,980
Reliance Asset Management (Malaysia) SDN. BHD.	RM 1	-	-	15,816,962	369,369,332
Reliance Capital Pension Fund Limited	INR 10	16,250,000	162,500,000	21,250,000	212,500,000
Reliance AIF Management Company Ltd.	INR 10	510,000	5,100,000	510,000	5,100,000
			725,762,593		1,145,131,925
Less: Provision for diminution in value of investments			246,282,445		613,976,590
			479,480,148		531,155,335
B. Non - Trade investment (valued at cost less provision for diminution)					
(I) Investments in equity shares (Quoted)					
Reliance Industries Limited	INR 10	49,964	34,254,771	49,964	34,254,771
Reliance Communications Limited	INR 5	24,923	10,518,365	24,923	10,518,365
ICICI Bank Limited	INR 2	20,750	5,005,234	4,150	5,005,234
Kotak Mahindra Bank Limited	INR 5	9,240	5,004,125	9,240	5,004,125
			54,782,496		54,782,496
Less: Provision for Diminution in Value of Investments			8,414,692		8,414,692
			46,367,804		46,367,804
(II) Investments in equity shares (Unquoted)					
MF Utilities India Private Limited	INR 1	500,000	500,000	-	-
			500,000		-
(III) A. Investments in mutual fund (Unquoted)					
Reliance Growth Fund- Retail plan - Dividend Plan	INR 10	-	-	1,478,358	67,500,000
Reliance Growth Fund- Institutional plan - Dividend Plan	INR 10	-	-	219,123	110,000,000
Reliance Growth Fund- Direct - Growth Option	INR 10	424,073	326,317,396		
Reliance Vision Fund - Retail Plan -Dividend Plan	INR 10	2,401,851	100,000,000	2,401,851	100,000,000
Reliance Vision Fund - Growth Option	INR 10	83,008	18,575,049	83,008	18,575,049
Reliance Vision Fund - Direct -Growth Option	INR 10	186,639	80,000,000	-	-
Reliance Focused Large Cap Fund -Retail Plan- Growth Plan	INR 10	29,887	298,871	29,887	298,871
Reliance Focused Large Cap Fund - Direct - Growth Plan	INR 10	3,184,592	50,000,000	3,184,592	50,000,000
Reliance Equity Opportunities Fund - Direct - Growth Option	INR 10	2,327,740	130,000,000	1,214,903	50,000,000
Reliance Equity Opportunities Fund-Institutional Plan- Dividend Plan	INR 10	2,838,308	110,000,000	2,838,308	110,000,000
Reliance Top 200 Fund- Direct - Growth Plan	INR 10	3,606,879	50,000,000	3,606,879	50,000,000
Reliance Small Cap Fund - Direct - Growth Plan	INR 10	9,945,091	112,496,875	9,945,091	112,496,875
Reliance Regular Savings Fund - Equity Plan - Dividend Plan	INR 10	-	-	4,188,766	110,000,000
Reliance Regular Savings Fund - Equity Plan - Growth Plan	INR 10	2,442,629	120,992,810	-	-
Reliance Banking Fund - Direct - Growth Plan	INR 10	85,181	10,000,000	85,181	10,000,000
Reliance Long Term Equity Fund - Direct - Growth Plan	INR 10	533,518	10,000,000	533,518	10,000,000
Reliance Media & Entertainment Fund - Direct - Growth Plan	INR 10	247,238	10,000,000	247,238	10,000,000
Reliance Pharma Fund - Direct - Growth Plan	INR 10	113,726	10,000,000	113,726	10,000,000
Reliance Diversified Power Sector Fund - Direct - Growth Plan	INR 10	185,632	10,000,000	185,632	10,000,000
Reliance Regular Savings Fund - Balanced Plan - Growth Plan	INR 10	352,766	10,000,000	352,766	10,000,000
Reliance Index Fund - Nifty Plan - Direct - Growth Plan	INR 10	782,277	10,000,000	-	-
Reliance Index Fund - Sensex Plan - Direct - Growth Plan	INR 10	39,472	500,000	-	-
Reliance Quant Plus Fund - Direct - Growth Plan	INR 10	266,323	5,000,000	-	-
Reliance Arbitrage Advantage Fund-Direct Growth Plan	INR 10	360,085	5,000,000	-	-
Reliance Japan Equity Fund - Direct - Growth Plan	INR 10	5,000,000	50,000,000	-	-
Reliance NRI Equity Fund - Direct Plan - Growth Plan	INR 10	83,833	5,000,000	-	-
Reliance Tax Saver Fund-Direct Plan Growth Plan	INR 10	119,547	5,000,000	-	-
Reliance Dual Advantage Fixed Tenure Fund I - Plan K-Growth Plan	INR 10	-	-	5,000,000	50,000,000
Reliance Liquid Fund - Cash Plan - Direct - Growth Option	INR 1000	4,761	10,000,000	-	-
Reliance Liquid Fund - Treasury Plan - Direct - Growth Option	INR 1000	3,143	10,000,000	-	-
Reliance Floating Rate Fund - Short Term Plan - Direct - Growth Plan	INR 10	487,147	10,000,000	-	-
Reliance Gilt Securities Fund - Direct - Growth Plan	INR 10	3,436,142	60,000,000	-	-
Reliance Monthly Income Plan - Direct - Growth Plan	INR 10	339,200	10,000,000	-	-
Reliance Regular Savings Fund - Debt Plan - Direct - Growth Plan	INR 10	562,452	10,000,000	-	-
Reliance Corporate Bond Fund - Direct - Growth Plan	INR 10	500,000	5,000,000	-	-
Reliance Retirement Fund - Income Generation Scheme-Direct -Growth	INR 10	4,500,000	45,000,000	-	-
Reliance Retirement Fund - Wealth Creation Scheme-Direct -Growth	INR 10	500,000	5,000,000	-	-
			1,404,181,001		888,870,795

Reliance Capital Asset Management Limited

Schedule to Financial Statements (continued)

as at 31 March 2015

(Currency: Indian rupees)

Particulars	Face Value	Quantity	Cost / Fair Value	Quantity	Cost / Fair Value
		As at 31.03.2015	As at 31.03.2015	As at 31.03.2014	As at 31.03.2014
(II) B. Investments in mutual fund (Quoted)					
R* Shares CNX 100 Fund - Dividend Plan	INR 10	360,723	20,000,000	360,723	20,000,000
R* Shares Consumption Fund - Dividend Plan	INR 10	3,746,651	99,999,989	-	-
R* Shares Dividend Opportunities Fund - Dividend Plan	INR 10	5,817,301	99,999,986	-	-
R* Shares Sensex ETF - Dividend Plan	INR 10	373,070	99,999,959	-	-
R* Shares Nifty ETF - Dividend Plan	INR 10	150,000	11,964,808	-	-
R* Shares Banking ETF - Dividend Plan	INR 10	10,000	17,036,317	-	-
Reliance Close Ended Equity Fund - Series A - Direct - Dividend Plan	INR 10	10,000,000	100,000,000	10,000,000	100,000,000
Reliance Gold savings Fund - Direct - Growth Plan	INR 10	4,764,498	70,000,000	4,764,498	70,000,000
Reliance Fixed Horizon Fund - XXII Series 32 - Dividend Plan	INR 10	5,000,000	50,000,000	5,000,000	50,000,000
Reliance Fixed Horizon Fund - XXII Series 34 - Dividend Plan	INR 10	-	-	6,250,000	62,500,000
Reliance Fixed Horizon Fund - XXV Series 12 - Direct - Growth Plan	INR 10	-	-	5,000,000	50,000,000
Reliance Fixed Horizon Fund - XXV Series 19 - Direct - Growth Plan	INR 10	-	-	10,000,000	100,000,000
Reliance Fixed Horizon Fund - XXV Series 21 - Direct - Growth Plan	INR 10	-	-	3,000,000	30,000,000
Reliance Fixed Horizon Fund - XXV Series 22 - Direct - Growth Plan	INR 10	-	-	5,500,000	55,000,000
Reliance Fixed Horizon Fund - XXV Series 35 - Direct - Growth Plan	INR 10	1,200,000	12,000,000	1,200,000	12,000,000
Reliance Fixed Horizon Fund - XXVI Series 15 - Direct - Growth Plan	INR 10	2,500,000	25,000,000	-	-
Reliance Fixed Horizon Fund - XXVI Series 32 - Direct - Growth Plan	INR 10	2,600,000	26,000,000	-	-
Reliance Fixed Horizon Fund - XXVII Series 6 - Direct - Growth Plan	INR 10	5,000,000	50,000,000	-	-
Reliance Fixed Horizon Fund - XXVII Series 7 - Direct - Growth Plan	INR 10	6,550,000	65,500,000	-	-
Reliance Fixed Horizon Fund - XXVIII Series 2 - Direct - Growth Plan	INR 10	300,000	3,000,000	-	-
			750,501,059		549,500,000
(III) Investments in debentures or bonds (Quoted)					
6.72% IRFC Tax Free Bonds 20-Dec-2020	INR 100000	2,500	250,000,000	2,500	250,000,000
8.30% National Highways Authority Of India Bonds 25-Jan-2027	INR 1000	61,809	61,809,000	61,809	61,809,000
8.30% PFC Tax Free Bonds 01-Feb-2027	INR 1000	300,000	322,748,400	300,000	322,748,400
8.66% NTPC Tax Free Bonds 16-Dec-2033	INR 1000	94,995	94,995,000	94,995	94,995,000
8.76% NHB Tax Free Bonds 13-Jan-2034	INR 5000	36,098	180,490,000	36,098	180,490,000
8.50% NHAH Tax Free Bonds 05-Feb-2029	INR 1000	200,000	200,000,000	200,000	200,000,000
			1,110,042,400		1,110,042,400
(IV) Investment in Preference Shares (Unquoted, Fully Paid Up)					
L&T Finance Holdings Limited - 8.75% Cumulative Preference Shares	INR 100	-	-	1,141,136	114,113,600
L&T Finance Holdings Limited - 8.40% Cumulative Preference Shares	INR 100	3,010,000	307,501,600	-	-
Zee Entertainment Enterprises Limited - 6% Cumulative Preference Shares	INR 1	298,600,000	240,373,299	-	-
			547,874,899		114,113,600
Total Non Current Investment			4,338,947,311		3,240,049,934

Notes:

1. Quoted investments					
Aggregate of Book value			1,906,911,263		1,705,910,204
Aggregate of Market value			2,099,701,911		1,726,455,422
2. Unquoted investments					
Aggregate of Book value			2,432,036,048		1,534,139,730
3. Provision for diminution in value of investments			254,697,137		622,391,282

Reliance Capital Asset Management Limited

Schedule to Financial Statements (continued)

as at 31 March 2015

(Currency: Indian rupees)

Particulars	Face Value	Quantity As at 31.03.2015	Cost / Fair Value As at 31.03.2015	Quantity As at 31.03.2014	Cost / Fair Value As at 31.03.2014
3.8B Current investments					
A. Current Portion of Long Term Investment (Quoted) at cost					
(I) Investment in Mutual Fund (Quoted)					
Reliance Fixed Horizon Fund - XXII Series 21 - Growth Plan	INR 10	5,000,000	50,000,000	5,000,000	50,000,000
Reliance Fixed Horizon Fund - XXII Series 28 - Growth Plan	INR 10	-	-	5,000,000	50,000,000
Reliance Fixed Horizon Fund - XXII Series 38 - Direct - Growth Plan	INR 10	-	-	5,000,000	50,000,000
Reliance Fixed Horizon Fund - XXII Series 39 - Direct - Growth Plan	INR 10	-	-	30,000,000	300,000,000
Reliance Fixed Horizon Fund - XXIII Series 1 - Dividend Plan	INR 10	-	-	16,000,000	160,000,000
Reliance Fixed Horizon Fund - XXIII Series 3 - Direct - Growth Plan	INR 10	-	-	10,000,000	100,000,000
Reliance Fixed Horizon Fund - XXIII Series 9 - Direct - Growth Plan	INR 10	-	-	10,000,000	100,000,000
Reliance Fixed Horizon Fund - XXII Series 34 - Dividend Plan	INR 10	6,250,000	62,500,000	-	-
Reliance Fixed Horizon Fund - XXV Series 12 - Direct - Growth Plan	INR 10	5,000,000	50,000,000	-	-
Reliance Fixed Horizon Fund - XXV Series 19 - Direct - Growth Plan	INR 10	10,000,000	100,000,000	-	-
Reliance Fixed Horizon Fund - XXV Series 21 - Direct - Growth Plan	INR 10	3,000,000	30,000,000	-	-
Reliance Fixed Horizon Fund - XXV Series 22 - Direct - Growth Plan	INR 10	5,500,000	55,000,000	-	-
Reliance Fixed Horizon Fund - XXVI Series 17 - Direct - Growth Plan	INR 10	25,000,000	250,000,000	-	-
			597,500,000		810,000,000
(II) Investment in Preference Shares (Unquoted, Fully Paid Up)					
L&T Finance Holdings Limited - 8.75% Cumulative Preference Shares	INR 100	1,141,136	114,113,600	-	-
			114,113,600		-
B. Current investments (At cost or market value whichever is less)					
(I) Investment in Mutual Fund (Unquoted)					
Reliance Liquid Fund - Treasury Plan - Direct - Growth Option	INR 1000	-	-	-	-
Reliance Liquidity Fund - Direct - Growth Option	INR 1000	16,349	34,379,712	161,189	309,499,570
Reliance Medium Term Fund - Direct - Growth	INR 10	2,748,404	78,056,165	12,824,120	340,000,000
Reliance Money Manager Fund - Direct - Growth	INR 10	7,025	13,456,018	-	-
Reliance Short Term Fund - Growth Plan - Growth Option	INR 10	20,260,322	412,415,692	23,346,704	475,241,555
Reliance Short Term Fund - Direct Plan - Growth Option	INR 10	11,357,467	275,167,579	-	-
Reliance Income Fund - Growth Plan - Growth Option	INR 10	5,279,636	200,000,000	5,279,636	200,000,000
Reliance Dynamic Bond Fund - Direct Plan - Growth Plan	INR 10	74,192,960	1,207,480,676	74,192,960	1,207,480,676
			2,220,955,842		2,532,221,801
(II) Investment in mutual fund (Quoted)					
Reliance Fixed Horizon Fund - XXV Series 32 - Direct - Growth Plan	INR 10	-	-	10,000,000	100,000,000
Reliance Fixed Horizon Fund - XXVI Series 22 - Growth Plan	INR 10	7,500,000	75,000,000	-	-
Reliance Fixed Horizon Fund - XXVI Series 24 - Growth Plan	INR 10	5,000,000	50,000,000	-	-
Reliance Fixed Horizon Fund - XXVI Series 29 - Growth Plan	INR 10	250,000	2,500,000	-	-
Reliance Yearly Interval Fund - Series 1 - Direct Plan - Growth Plan	INR 10	18,380,495	200,000,000	18,380,495	200,000,000
Reliance Yearly Interval Fund - Series 2 - Direct Plan - Growth Plan	INR 10	-	-	9,164,055	100,000,000
Reliance Yearly Interval Fund - Series 3 - Direct Plan - Growth Plan	INR 10	10,000,000	100,000,000	10,000,000	100,000,000
Reliance Yearly Interval Fund - Series 7 - Direct Plan - Growth Plan	INR 10	9,178,775	100,000,000	4,000,000	40,000,000
Reliance Yearly Interval Fund - Series 9 - Direct Plan - Growth Plan	INR 10	-	-	7,500,000	75,000,000
Reliance Annual Interval Fund - Series I - Direct Plan - Growth Plan	INR 10	-	-	8,248,579	100,000,000
Reliance Interval Fund - II - Series 4 - Direct Plan - Growth Plan	INR 10	12,000,000	120,000,000	12,000,000	120,000,000
Reliance Interval Fund - I - Half Yearly Interval Fund - Series 2 - Direct Plan - Growth Plan	INR 10	-	-	1,906,378	20,000,000
Reliance Monthly Interval Fund - Series I - Direct Plan - Growth Plan	INR 10	-	-	5,861,940	100,000,000
Reliance Interval Fund - Quarterly Plan - Series I - Direct - Growth Plan	INR 10	1,632,067	30,000,000	-	-
Reliance Quarterly Interval Fund - Series II - Direct - Growth Plan	INR 10	26,423,709	500,000,000	-	-
			1,177,500,000		955,000,000
Total Current Investment			4,110,069,442		4,297,221,801
Notes:					
1. Quoted investments					
Aggregate of Book value			1,775,000,000	1,765,000,000	
Aggregate of Market value			1,924,283,402	1,887,996,469	
2. Unquoted investments					
Aggregate of Book value			2,335,069,442	2,532,221,801	

Reliance Capital Asset Management Limited

Notes to the accounts

as at 31 March 2015

(Currency: Indian rupees)

Particulars	As at	
	31 March 2015	31 March 2014
3.9 Deferred tax assets		
<i>Deferred tax asset arising on account of timing differences in:</i>		
Depreciation on fixed assets	86,355,095	50,671,753
Employee compensation	31,034,001	17,071,681
Straightlining of lease rentals	3,891,465	14,178,994
	121,280,561	81,922,429
3.10 Long - term loans and advances		
Capital advances	6,373,782	5,445,497
Loans and advances to related parties (Unsecured, considered good)		
Intercorporate deposits to related parties	65,000,000	-
Loan to ESOP trust	303,130,052	250,543,100
Parties other than related parties (Unsecured, considered good)		
Intercorporate deposits	250,000,000	-
Loans to employees	1,500,000	2,200,000
Security deposits	134,667,993	137,447,551
Advances recoverable in cash or in kind or for value to be received	2,405,775	2,111,988
Prepaid expenses	1,920,521,167	522,770,226
Advance tax paid	266,791,952	146,517,556
(net of provision of income tax Rs. 2,310,417,889 (PY Rs. 1,419,350,432))		
	2,950,390,721	1,067,035,917
3.11 Other non - current assets		
Other bank balances		
Fixed Deposits with residual maturity of more than 12 months (including accrued interest)	39,374,623	36,635,340
	39,374,623	36,635,340
The above deposits have been liened for business purpose (Refer Note 3.24)	39,374,623	36,635,340
3.12 Trade receivables		
Unsecured, Considered Good		
Outstanding for more than six months	-	-
Others	155,781,800	87,515,490
	155,781,800	87,515,490
3.13 Cash and bank balance		
Cash and cash equivalents		
Cash on hand	19,734	85,775
Balance with banks in current accounts	226,569,542	309,512,641
Cheques in hand	16,280,716	-
	242,869,992	309,598,416
3.14 Short - term loans and advances		
Loans and advances to related parties (Unsecured, considered good)	11,066,750	10,775,734
Intercorporate deposits to related parties	-	4,500,000,000
Parties other than related parties (Unsecured, considered good)		
Intercorporate deposits	1,750,000,000	1,750,000,000
Loans to Employees	1,625,504	8,620,890
Prepaid Expenses	2,155,684,304	506,514,631
Service Tax Credit-Utilised	345,742,604	160,480,662
Advances recoverable in cash or in kind or for value to be received	167,446,008	105,764,615
Advance Tax Paid (net of provision of income tax Rs. NIL (PY Rs. NIL))	10,682,389	-
	4,442,247,559	7,042,156,532
3.15 Other current assets		
Dividend receivable	17,916,000	-
Fixed Deposits with residual maturity of less than 12 months (including accrued interest)	-	126,338
Interest accrued on Loans	121,022	-
Interest accrued on bonds	132,602,890	132,602,890
Income accrued	17,352,177	-
	167,992,089	132,729,228
The above deposits have been liened for business purpose (Refer Note 3.24)	-	126,338

Reliance Capital Asset Management Limited

Notes to the accounts

for the year ended 31 March 2015

(Currency: Indian rupees)

Particulars	Year ended	
	31 March 2015	31 March 2014
3.16 Revenue from operations - Management fees		
Investment Management Fees (net of service tax)	7,943,349,093	6,417,445,694
Portfolio Management Fees (including advisory fees net of service tax)	275,123,347	200,596,939
	8,218,472,440	6,618,042,633
3.17 Other income		
Dividend on:		
Long term investment	115,530,915	49,704,229
Subsidiary	-	166,670,000
Profit on Sale of Investments (Net)		
Long term investment	187,930,817	161,184,904
Current investment	83,831,011	86,240,570
Interest Income		
Long term investment	87,914,214	57,670,087
Interest on Inter Corporate Deposit	597,679,479	657,739,725
Interest on Others	4,029,006	2,854,629
Others	5,762,955	1,653,454
	1,082,678,397	1,183,717,598
3.18 Employee benefit expense		
Salaries, allowances and bonus	1,404,864,415	1,279,587,035
Contribution to provident and other funds	67,209,078	57,354,572
Staff welfare expenses	38,806,543	28,632,304
	1,510,880,036	1,365,573,911

3.19 Employees Stock Option Plan (ESOP) :

(i) a) Pursuant to the shareholder's resolution dated 20 September 2007 the Company introduced Employee Stock Option Plan I - 2007 under which the Company may grant options to its employees from time to time. The grant of options to the employees under the ESOP scheme is on the basis of their performance and other eligibility criteria. The Plan has been amended and restated vide shareholder's resolution dated 3 February 2011.

b) On 21 December 2007, the Company issued 200,000 equity shares at a price Rs. 2,000 per equity share to Reliance Capital Asset Management Employee Benefits Trust ('The Trust') pursuant to the above Plan.

(ii) a) Pursuant to the shareholder's resolution dated 3 February 2011, the Company introduced Employee Stock Option Plan II - 2011 under which the Company may grant options to its employees from time to time. The grant of options to the employees under the ESOP scheme is on the basis of their performance and other eligibility criteria.

b) On 30 March 2011, the Company issued 50,000 equity shares at a price Rs. 3,009 per equity share to the 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 years from the date of vesting. The options existing during the year are as follows:

a) Year 2007

The option under ESOP I - 2007 at an exercise price of Rs. 2,000 per share and vest on a graded basis as follows:

Grant date 28 Sept 2007

Vesting schedule

on completion of 3 years	30%
on completion of 4 years	30%
on completion of 5 years	40%

Reliance Capital Asset Management Limited

Notes to the accounts

for the year ended 31 March 2015

b) Year 2011

The option under ESOP I - 2007 at an exercise price of Rs. 3,009 per share and vest on a graded basis as follows:

Grant date 30 Mar 2011

Vesting schedule

on completion of 1 year 30%
on completion of 2 years 30%
on completion of 3 years 40%

c) Year 2011

The option under ESOP I - 2007 and Plan II - 2011 at an exercise price of Rs. 3,009 per share and vest on a graded basis as follows:

Grant date 30 Mar 2011

Vesting schedule

on completion of 1 year 10%
on completion of 2 years 10%
on completion of 3 years 20%
on completion of 4 years 20%
on completion of 5 years 40%

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

	As of 31 March 2015		As of 31 March 2014	
	Number of stock options	Weighted average exercise price (Rs.)	Number of stock options	Weighted average exercise price (Rs.)
Number of shares under option:				
a) Year 2007				
Outstanding at beginning of year	1,100	2,000	4,250	2,000
Granted	-	-	-	-
Exercised	-	2,000	400	2,000
Cancelled or expired	1,100	-	2,750	-
Outstanding at the year end	-	2,000	1,100	2,000
Exercisable at end of year	-	2,000	1,100	2,000
b) Year 2011				
Outstanding at beginning of year	14,175	3,009	23,795	3,009
Granted	-	-	-	-
Exercised	12,965	-	8,940	-
Cancelled or expired	400	-	680	-
Outstanding at the year end	810	3,009	14,175	3,009
Exercisable at end of year	810	-	14,175	-
c) Year 2011				
Outstanding at beginning of year	97,595	3,009	114,785	3,009
Granted	-	-	-	-
Exercised	22,930	3,009	11,675	3,009
Cancelled or expired	4,280	3,009	5,515	3,009
Outstanding at the year end	70,385	3,009	97,595	3,009
Exercisable at end of year	23,995	3,009	24,445	3,009

(v) The fair value of the options granted was estimated on the date of grant using the Black- Scholes model with the following assumptions

	Year ended 31 March 2015	Year ended 31 March 2014
Risk free interest rate	8%	8%
Expected life	7 years	7 years
Dividend yield	0.00%	0.00%

(vi) The Company has chosen to account for the Plan by the Intrinsic Value Method. The total expense recognised for the period arising from stock option plan as per Intrinsic Value Method is Rs.Nil (PY Rs. Nil). The net results for the year, had the Company adopted the Fair Value Method, would have been lower by Rs. 12,483,828 (PY Rs. 58,615,745) and accordingly basic and diluted EPS would have been lower by Rs. 1.13 and Rs. 1.13 respectively (PY impact Rs. 5.31 and Rs. 5.28).

Reliance Capital Asset Management Limited

Notes to accounts

for the year ended 31 March 2015

(Currency: Indian rupees)

3.20 Disclosure pursuant to Accounting Standard - 15 (Revised) " Employee Benefits" :

A Defined Contribution Plans:

Amount of Rs. 52,180,321 (PY Rs. 46,074,997) is recognised as an expense for provident fund and superannuation fund included in "Employee Costs" - refer note "3.18" of the Statement of profit and loss.

B Defined Benefit Plans:

i. Reconciliation of opening and closing balances of the Present Value of the Defined Benefit Obligation :

		Gratuity Benefit - Funded		Leave Benefit - Unfunded	
		2015	2014	2015	2014
a.	Present value of Defined Benefit Obligation at the beginning of the year	52,737,106	53,298,873	24,141,200	28,285,731
b.	Interest cost	4,920,372	4,263,910	2,071,528	2,008,601
c.	Current service cost	8,126,742	9,776,432	20,123,243	19,108,128
d.	Actuarial Losses / (Gains)	32,942,970	(5,573,878)	(11,423,899)	(18,904,831)
e.	Benefits paid	(4,557,938)	(9,028,231)	(2,248,443)	(6,356,429)
f.	Present value of Defined Benefit Obligation at the close of the year	94,169,252	52,737,106	32,663,629	24,141,200

ii Changes in the fair value of Plan Assets and the reconciliation thereof:

		Gratuity Benefit - Funded		Leave Benefit - Unfunded	
		2015	2014	2015	2014
a.	Fair value of Plan Assets at the beginning of the year	59,153,647	63,305,699	-	-
b.	Add: Expected return on Plan Assets	5,519,035	5,064,456	-	-
c.	Add / (Less) : Actuarial (Losses) / Gains	4,002,800	(565,854)	-	-
d.	Add: Contributions	-	377,576	2,248,443	6,356,429
e.	Less: Benefits Paid	(4,557,938)	(9,028,231)	(2,248,443)	(6,356,429)
f.	Fair value of Plan Assets at the close of the year	64,117,544	59,153,647	-	-

iii. Amount Recognised in the Balance Sheet including a reconciliation of the present value of the defined obligation in (i) and the fair value of the plan assets in (ii) to the assets and liabilities recognised in the balance sheet:

		Gratuity Benefit - Funded		Leave Benefit - Unfunded	
		2015	2014	2015	2014
a.	Present value of Defined Benefit obligation	94,169,252	52,737,106	32,663,629	24,141,200
b.	Less: Fair value of Plan Assets	64,117,544	59,153,647	-	-
c.	Present value of unfunded obligation	30,051,708	(6,416,541)	32,663,629	24,141,200
d.	Net Liability/(Asset) recognised in the Balance sheet	30,051,708	NIL	32,663,629	24,141,200

iv. Amount recognised in the statement of profit & loss are as follows :

		Gratuity Benefit - Funded		Leave Benefit - Unfunded	
		2015	2014	2015	2014
a.	Current Service Cost	8,126,742	9,776,432	20,123,243	19,108,128
b.	Interest Cost	(598,663)	4,263,910	2,071,528	2,008,601
c.	Expected return on Plan Assets	-	(5,064,456)	-	-
d.	Actuarial Losses / (Gains)	28,940,170	(5,008,024)	(11,423,899)	(18,904,831)
e.	Past service costs	-	-	-	-
f.	Effect of curtailment / settlement	-	-	-	-
g.	Adjustments for earlier years Recognised in the Statement of Profit and Loss	-	-	-	-
h.	Total	36,468,249	3,967,862	10,770,872	2,211,898

Reliance Capital Asset Management Limited

Notes to accounts

for the year ended 31 March 2015

(Currency: Indian rupees)

v. Broad Categories of plan assets as a percentage of total assets

		Gratuity Benefit - Funded		Leave Benefit - Unfunded	
		2015	2014	2015	2014
a.	Government of India Securities	29.63%	28.09%	UNFUNDED	UNFUNDED
b.	State Government Securities	-	-		
c.	Corporate Bonds	45.50%	35.46%		
d.	Fixed Deposit under Special Deposit Scheme	-	-		
e.	Equity Shares	19.49%	19.35%		
f.	Money market instruments	5.38%	17.10%		
g.	Public Sector Bonds	-	-		
i.	Property	-	-		
		100.00%	100.00%		

vi. Actuarial Assumptions as the Balance sheet date:

		Gratuity		Leave Benefit	
		2015	2014	2015	2014
a.	Discount Rate	8.01%	9.33%	8.00%	9.00%
b.	Expected rate of return on Plan Assets	8.01%	9.33%	-	-
c.	Salary Escalation rate -- Management Staff	6.00%	5.00%	6.00%	5.00%
d.	Attrition rate	For Service 4 yrs & below 25% p.a. & 2% thereafter	For Service 4 yrs & below 25% p.a. & 2% thereafter	1% throughout	1% throughout

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

vii. General Descriptions of significant defined plans:

a. **Gratuity Plan :**

Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement, in terms of the provisions of the Payment of Gratuity Act 1972 or as per the Company's Scheme whichever is more beneficial.

b. **Leave Plan :**

Encashment of leave can be availed by the employee for the balance in the earned account as on 1 January 2009. All carry forward earned leaves are available for availment but not encashment. Leave can be encashed subject to available balance of more than 15 days.

viii. Five-year information

Amounts for the current & the previous four periods are as follows:

		31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
	Gratuity					
	Defined benefit obligation	94,169,252	52,737,106	53,298,873	41,578,818	30,902,188
	Fair value of plan assets	64,117,544	59,153,647	63,305,699	50,322,116	36,840,578
	(Surplus) / deficit in the plan	30,051,708	(6,416,541)	(10,006,826)	(8,743,298)	(5,938,390)

Reliance Capital Asset Management Limited

Notes to the accounts

for the year ended 31 March 2015

(Currency: Indian rupees)

Particulars	Year ended	
	31 March 2015	31 March 2014
3.21 Administrative and other expenses		
Legal and Professional Charges	286,221,489	246,224,499
Rent	94,437,095	163,848,213
Conveyance and Travelling	69,108,868	63,290,678
Communication	61,834,374	54,806,042
Filing fees and Stamp duty	29,543,053	16,249,799
Office Administration	67,964,937	78,025,599
Membership and Subscription	30,236,571	29,350,533
Electricity	27,424,198	30,635,985
Seminar and Training	19,904,691	26,339,394
Repairs and Maintenance	40,187,889	23,083,512
Printing and Stationary	73,704,114	46,315,301
Software Repair and Maintenance	67,642,741	39,019,937
Courier charges	104,718,130	63,182,228
Insurance	6,566,872	37,833,789
Auditors Remuneration:		
Audit fees	1,600,000	1,300,000
Certification matters	100,000	-
Other matters	2,000,000	-
Out of Pocket expenses	65,934	50,810
Director Sitting Fees	2,250,001	690,000
Donation	316,391	349,720
Net loss on foreign currency transactions and translations	848,649	2,578,687
Outsourced business service (Refer note 2.10)	649,162,494	558,232,195
Miscellaneous Expenses	33,733,035	32,516,637
Loss on sale of fixed assets (Net)	4,952,300	9,905,759
Corporate social responsibility expense	69,427,000	-
Rates and Taxes	16,034,850	6,831,364
	<u>1,759,985,676</u>	<u>1,530,660,681</u>
3.22 Marketing and publicity expenses		
Marketing expenses	386,279,906	233,580,123
Advertisement	182,522,495	87,252,881
Brokerage and Incentives	869,852,650	619,240,452
	<u>1,438,655,051</u>	<u>940,073,456</u>
3.23 Future minimum lease payments in respect of non-cancellable operating lease for premises:		
	2015	2014
a) Not later than one year	19,449,829	1,620,000
b) Later than one year and not later than five years	-	-
c) Later than five years	-	-
	<u>19,449,829</u>	<u>1,620,000</u>
3.24 Contingent liability and commitments:		
	2015	2014
a) Contingent liability		
Guarantees to Banks and Financials Institutions (against FD)	100,848,500	101,817,500
Claims against the Company not acknowledged as debts	43,397,960	22,035,961
Income tax demand not acknowledged as debts	-	10,682,389
	<u>144,246,460</u>	<u>134,535,850</u>
b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided.	21,607,329	2,705,774

Reliance Capital Asset Management Limited

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for the year ended 31 March 2015

(Currency: Indian rupees)

3.25 Related Party Disclosure:

(i) List of Related Parties and their relationship:

Sr. No.	Name of the Related Party	Relationship
1	Reliance Innoventures Private Limited	Ultimate Holding Company (till March 27, 2015)
2	Reliance Capital Limited	Holding Company
3	Reliance Asset Management (Mauritius) Limited	Wholly owned subsidiary
4	Reliance Asset Management (Singapore) Pte Limited	
5	Reliance Capital Asset Management (UK) Plc	
6	Reliance AIF Management Company Limited	
7	Reliance Asset Management (Malaysia) Limited	
8	Reliance Capital Pension Fund Limited	Wholly owned subsidiary (liquidated on April 7, 2014) Subsidiary
9	Reliance Capital Trustee Co. Limited	
10	Reliance General Insurance Company Limited	Fellow Subsidiary
11	Reliance Gilts Limited	
12	Reliance Money Express Limited	
13	Reliance Money Precious Metals Private Limited	
14	Reliance Money Solutions Private Limited	
15	Reliance Home Finance Limited	
16	Reliance Securities Limited	
17	Reliance Commodities Limited	
18	Reliance Financial Limited	
19	Reliance Wealth Management Limited	
20	Reliance Exchangenext Limited	
21	Reliance Spot Exchange Infrastructure Limited	
22	Reliance Capital AIF Trustee Company Limited	
23	Quant Capital Private Limited	
24	Quant Broking Private Limited	
25	Quant Securities Private Limited	
26	Quant Commodity Broking Private Limited	
27	Quant Capital Finance and Investments Private Limited	
28	Quant Investments Services Private Limited	
29	Nippon Life Insurance	
30	Reliance Composite Insurance Broking Limited	Entities which ceased to be related parties as of March 31, 2015
31	Reliance Venture Asset Management Private Ltd (formerly Reliance Technology Ventures Pvt. Ltd.)	
32	Reliance Equity Advisors (India) Ltd	
33	Reliance Consultants (Mauritius) Ltd	
34	Quant Capital Securities Private Limited	
35	Reliance Capital (Singapore) Pte Ltd	
36	Reliance Alternative Investments Services Pvt Ltd	
37	Quant Capital Advisors Private Limited	
38	Quant Commodities Private Limited	
39	Indian Agri Services Private Limited	
40	Reliance Investment Banking Services Limited	
41	QOPPA Trading Private Limited	
42	QCAP Trade Private Limited (Formerly Valankulam Investments and Trading Private Limited)	
43	Quant Alternative Asset Management Private Limited	

Reliance Capital Asset Management Limited

Notes to accounts

for the year ended 31 March 2015

(Currency: Indian rupees)

(ii) Transaction during the year with related parties:

Sr. No.	Nature of Transaction	Holding Company	Subsidiaries	Fellow Subsidiary	Significant Shareholder	Total
I A	Transactions during the year					
	Investments in equity shares					
	Reliance Asset Management Singapore Pte Ltd	-	-	-	-	-
			(81,251,164)	-	-	(81,251,164)
	Reliance AIF Management Company Ltd.	-	-	-	-	-
		-	(5,000,000)	-	-	(5,000,000)
B	Inter corporate deposit given					
	Reliance Capital Limited	-	-	-	-	-
		(2,000,000,000)	-	-	-	(2,000,000,000)
	Reliance AIF Management Company Ltd.	-	92,500,000	-	-	92,500,000
		-	-	-	-	-
C	Repayment of inter corporate deposit					
	Reliance Capital Limited	4,500,000,000	-	-	-	4,500,000,000
		(4,500,000,000)	-	-	-	(4,500,000,000)
	Reliance AIF Management Company Ltd.	-	27,500,000	-	-	27,500,000
		-	-	-	-	-
D	Sale of equity shares of Reliance Capital Pension Fund Ltd					
	Reliance Gilts Limited	-	-	52,900,000	-	52,900,000
		-	-	-	-	-
E	Repayment of Share Capital on Liquidation					
	Reliance Asset Management (Malaysia) SDN.BHD.	-	-	-	-	-
		-	(18,987,243)	-	-	(18,987,243)
F	Interest income					
	Reliance Capital Limited	364,863,014	-	-	-	364,863,014
		(541,808,218)	-	-	-	(541,808,218)
	Reliance AIF Management Company Ltd.	-	1,121,161	-	-	1,121,161
		-	-	-	-	-
G	Dividend Income					
	Reliance Asset Management (Singapore) Pte Ltd	-	-	-	-	-
		-	(166,670,000)	-	-	(166,670,000)

Reliance Capital Asset Management Limited

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(Currency: Indian rupees)

(ii) Transaction during the year with related parties:

Sr. No.	Nature of Transaction	Holding Company	Subsidiaries	Fellow Subsidiary	Significant Shareholder	Total
H	Director Sitting Fees Nippon Life Insurance			- -	650,000 (170,000)	650,000 (170,000)
I	Rent and Other Expenses Reliance General Insurance Company Ltd.	- -	- -	738,104 (1,175,210)	- -	738,104 (1,175,210)
J	Insurance Charges (net of claims received) Reliance General Insurance Company Ltd.	- -	- -	24,617,233 (41,300,349)	- -	24,617,233 (41,300,349)
K	Travelling expenses Reliance Money Express Ltd.	- -	- -	7,743 (936,828)	- -	7,743 (936,828)
L	Brokerage Reliance Home Finance Limited	- -	- -	- (38,500)	- -	- (38,500)
	Reliance Money Solutions Private Limited	- -	- -	6,632 -	- -	6,632 -
	Reliance Wealth Management Limited	- -	- -	6,378,750 (739,660)	- -	6,378,750 (739,660)
	Reliance Securities Ltd	- -	- -	3,107,673 -	- -	3,107,673 -
M	Reimbursement of Expenses charged Reliance Capital Limited	190,127 (729,098)	- -	- -	- -	190,127 (729,098)
	Reliance Capital Pension Fund Limited	- -	406,080 (1,343,552)	- -	- -	406,080 (1,343,552)
	Reliance AIF Management Company Ltd.	- -	15,905,351 -	- -	- -	15,905,351 -
	Nippon Life Insurance Company	- -	- -	- -	- (3,804,798)	- (3,804,798)
N	Reimbursement of Expenses paid Reliance Capital Limited	21,503,549 (18,155,310)	- -	- -	- -	21,503,549 (18,155,310)
	Reliance General Insurance Company Ltd.	- -	- -	- (49,320)	- -	- (49,320)
	Nippon Life Insurance Company	- -	- -	- -	2,556,704 (1,977,981)	- -

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(ii) Transaction during the year with related parties:

Sr. No.	Nature of Transaction	Holding Company	Subsidiaries	Fellow Subsidiary	Significant Shareholder	Total
O	Management fee expense Reliance Capital Limited	60,000,000 (60,000,000)	- -	- -	- -	60,000,000 (60,000,000)
P	Advisory Fee income Reliance Asset Management (Singapore) Pte Ltd	- -	7,961,229 -	- -	- -	7,961,229 -
II	Balances outstanding at the end of the year					
A	Loans and advances to Related Parties					
	Reliance Capital Limited	- (4,500,000,000)	- -	- -	- -	- (4,500,000,000)
	Reliance AIF Management Company Ltd.	- -	65,000,000 -	- -	- -	65,000,000 -
	Reliance Asset Management (Singapore) Pte Ltd	- -	5,292,787 -	- -	- -	5,292,787 -
	Reliance General Insurance Company Ltd.	- -	- -	11,066,750 (10,775,734)	- -	11,066,750 (10,775,734)

Refer note 3.8A for investment in subsidiaries

Note : Related Party Relationship is as identified by the Company.
(Previous year figures are in brackets)

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3.26 Earning Per Share (EPS)

	2015	2014
Net profit attributable to equity shareholders (after preference dividend)	3,573,341,092	3,039,423,887
Weighted average number of equity shares outstanding	11,055,895	11,041,015
Basic EPS	323.21	275.28
Effect of potential equity shares on exercise of employee stock	13,338	50,723
Weighted average number of equity shares outstanding	11,069,233	11,091,738
Diluted EPS	322.82	274.03

The equity shares issued to the ESOP Trust under the Company's ESOP Plan are not considered for calculation of EPS. The options which are considered to be dilutive due to exercise price lower than the fair value of the equity shares are included in calculation of diluted EPS.

3.27 Expenditure in foreign currency (including expenses incurred at Foreign Branch):

	2015	2014
Salary and Benefits	24,075,186	31,725,328
Travelling	5,692,699	5,291,698
Professional Fees and Consultancy	8,852,534	8,485,697
Other Expenses	15,480,537	3,061,943
	54,100,956	48,564,666

3.28 Earnings in foreign currency:

	2015	2014
PMS Advisory Fees	48,910,372	5,057,131
Dividend from Foreign Subsidiary	-	166,670,000
	48,910,372	171,727,131

3.29 Segment Reporting

The Company is in the business of providing asset management services to the fund and portfolio management service to clients. The primary segment is identified as asset management services. As such the Company's financial statements is largely reflective of the asset management business and there is no separate reportable segment.

Pursuant to Accounting Standard (AS) 17 Segment Reporting, no segment disclosure has been made in these financial statements, as the Company has only one geographical segment and no other separate reportable business segment.

3.30 The Company has proposed final dividend of Rs. 125 (P.Y. Rs. 140) per equity share for the year ended 31 March 2015. During the year, the company has paid an interim dividend of Rs. 146 (P.Y. NIL) per equity share.

3.31 Dividend remittances in foreign currency:

The Company remits the dividend to all shareholders including non-resident shareholders in Indian rupees (INR).

3.32 Depreciation:

The Company has also changed the method of depreciation from Written down value method (WDV) to Straight line method basis (SLM). The change has been made for all fixed assets except assets given on operating lease where SLM was already adopted.

With regard to assets where the useful life based on Schedule II has expired, their WDV aggregating Rs. 25,845,085 (net of deferred tax of Rs. 13,308,202) has been adjusted against the opening reserves as per Schedule II.

As a result of the change in the method of depreciation, an amount of Rs. 11,453,208 has been written off in the current period.

As a result of revision in useful life of assets, the depreciation for the period ended March 31, 2015 is lower by Rs. 246,170

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3.33 (i) Pursuant to the Scheme of Arrangement ("the Scheme") under Sections 391 to 394 of the Companies Act, 1956 sanctioned by the Hon'ble Bombay High Court vide Order dated 07 November 2014 and filed with the Registrar of Companies (RoC) on 26 November, 2014 ("the Effective date"), Digital Marketing division ("the division") of Azalia Distribution Private Limited ("ADPL", "Demerged Company"), engaged in the business of providing digital marketing services to financial products and other related research has been demerged into the Company ("Resulting Company") with effect from the 01 April 2013. ("the Appointed date")

(ii) The salient features of the scheme are as under:

- The Resulting Company shall record the assets and liabilities pertaining to the Demerged Undertaking, at their respective book values as appearing in the books of the Demerged Company.
- The Resulting Company shall credit to its share capital account, the aggregate face value of the Preference Shares issued;
- Inter-company balances and transaction between the Resulting Company and the Demerged Undertaking of the Demerged Company, if any, will stand cancelled;
- The difference being excess of assets over liabilities recorded by the Resulting Company shall be credited to the Capital Reserve Account.
- If considered appropriate for the purpose of application of uniform accounting methods and policies between the Demerged Company and the Resulting Company, the Resulting Company may make suitable adjustments to its accounting methods and policies and debit the difference to its General Reserve Account.
- As agreed by the management of ADPL and the Company w.e.f. the Appointed date, the following assets and liabilities of the division have been demerged at their respective book values on the basis of the audited accounts of ADPL.

Particulars	Amount
Fixed Assets	14,492,045
Current Assets	490,832,821
Liabilities	265,104,876

g) Consideration for arrangement: Fully paid-up 6% Non-Cumulative Redeemable Preference Shares of Rs 30 Crores (Rupees Thirty Crores only) comprising of 3,000,000 6% Non-Cumulative Redeemable Preference Shares issued at a face value of Rs. 100/- each will be issued to equity shareholders of ADPL.

h) Excess of liabilities over assets amounting to Rs 59,780,010/- has been treated as Goodwill. The Goodwill has been written off during the year.

(iii) According to the scheme, with effect from the Appointed date, ADPL has carried out all the business activities of the division in trust till the scheme became effective. Shareholders of ADPL had infused funds by way of Capital to the extent of Rs. 591,947,123/- between April 2013 and December 2013 into ADPL. The said funds were used for settlement of dues of creditors pertaining to the expense of demerged division for FY 13-14. As per the understanding between the parties, the above does not create any liability on the Resulting Company.

(iv) Total impact in Profit & Loss Account of current period on account of previous year (FY 13-14) transactions pertaining to the division is as below:

Particulars	Amount
Business Income	38,504,678
Employee Expenses	(18,785,413)
Other Administrative & Business expenses	(634,938,642)
Depreciation	(9,498,829)
Share Capital Infused in ADPL in FY 13-14 as referred to in para (iii) above	591,947,123
Inter Division balances	3,632,324
Net Loss for FY 13-14 charged to P&L as "Net Expenses of demerged division for 13-14"	29,138,759

(v) Operations of the division for the current year, 2014-15, are included under the appropriate heads of income and expense aggregating to total income Rs. 11,020,669 & total expenses Rs. 14,747,196

3.34 Diminution in Malaysia subsidiary:

Loss of Rs. 369,369,332 on account of liquidation of Malaysian subsidiary adjusted against reversal of Rs. 369,369,332 diminution provided in earlier years.

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(Currency: Indian rupees)

- 3.35 The Company has developed a system of maintenance of information and documents as required by the transfer pricing legislation under section 92 – 92F of the Income Tax Act, 1961. Management is of the opinion that all relevant transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statement, particularly on the amount of tax expense and that of provision for taxation.

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W / W-100022

**For and on behalf of the Board of Directors of
Reliance Capital Asset Management Limited**

Milind Ranade

Partner

Membership No. 100564

Soumen Ghosh

Director

Kanu Doshi

Director

Sundeep Sikka

Chief Executive Officer

Prateek Jain

Chief Financial Officer

Mumbai, 29 April 2015

Ajay Patel

Manager

Gajendra Thakur

Company Secretary